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ABSTRACT

The multidimensional nature of the diversity of the nation's labor force was examined, with emphasis on the economic diversity within the population generally and within and among the demographic groups. Principal activities were a literature review focusing on the economics of the labor market, analysis of data from the 1980 Census, and a conference on training a diverse population. Findings were as follows: (1) the work force of the future will not be dramatically different; (2) Blacks had great difficulty in finding and keeping employment; (3) Hispanic men had unemployment rates between those of Whites and Blacks but earned very low wages; (4) Asians/Pacific Islanders had high rates of labor force participation, relatively low unemployment, and high earnings; and (5) Native Americans had low rates of labor force participation, high rates of unemployment, and low earnings. Sources of the diversity of experiences were human capital, sociological diversity, discrimination, and geographic location. Groups varied among and within themselves as to the human capital their members possessed. They varied among themselves along several sociocultural dimensions and showed patterns of geographic concentration. Discrimination was a fact of life for minorities and women. Analyses point to policy implications in these areas, including the need to: increase human capital, expand opportunity, help people to adjust to U.S. society, and reduce or eliminate discrimination. (Appendixes include a 76-item bibliography, supporting tables, and a list of attendees at the July 1990 conference on Training a Diverse Population. (YLB)

A Changing Nation -- Its Changing Labor Force

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PREFACE

The National Commission for Employment Policy is pleased to release this report, A Changing Nation -- Its Changing Labor Force. This report is a product of the Commission's project on training a diverse population.

The U.S. population has undergone a rapid and profound transformation over the past two decades. New arrivals from Southeast Asia and Central America are changing its face and accent. It seems axiomatic that as a country's population changes, so does its labor force. Together, the immigrants and the many groups of native-born workers are creating a more diverse American workforce.

While these demographics are adding diversity to the supply side of the labor market, the demand side is being altered also. Work is being reorganized and restructured, and greater skills are being required of persons entering the job market. This report focuses on the changing labor supply; it:

- examines the changing workforce, giving particular attention to groups that will constitute the growth in the labor force between now and the next century;
- focuses on the diversity that exists among and within the groups;
- analyzes the economic dimensions of this diversity; and
- gives special attention to both those persons who might be expected to experience difficulty in the labor market and the reasons for those difficulties.

The convergence of changes on both the supply and demand sides of the labor market can be expected to put pressures on the institutions on which the society relies for the preparation of persons for participation in the labor market. This report provides a framework for assessing current programs and strategies and for planning future education and employment and training approaches.

The report is based on staff and contractor research and discussions at the Commission-sponsored Conference on Training a Diverse Population, held in July 1990. Lead staff responsibility for the project was assigned to Everett Crawford. The report was written by Crawford and Carol Romero with assistance from Burt S. Barnow of Lewin/ICF, the project contractor.

On behalf of the Commission, I express our appreciation to all those who provided assistance to the project, including the conference participants, those who provided papers for the conference, and Dr. Barnow and his associates at Lewin/ICF.

JOHN C. GARTLAND
Chairman

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I. INTRODUCTION

Dimensions of Diversity

National attention was drawn to the increasing diversity of the workforce by the 1987 book, **Workforce 2000: Workers for the 21st Century.**[1] The authors reported on sizeable demographic shifts in the labor force that could be expected by the year 2000. These changes include a decline in the number of youth entering the labor force, the aging of the existing workforce, and a substantial increase in the proportions of women, minorities, and immigrants in the American labor force.

While the book projected changes that would be occurring in the 1990s, there is every indication that the process had already begun during the 1980s and diversity in the workforce had become an established fact of life by the early 1990s. For example, a Digital Equipment Corporation factory in Boston reports that its 350 employees come from 44 countries and speak 19 different languages.[2]

Also, preliminary results from a 1990 Towers Perrin-Hudson Institute survey indicated that over 60% of the corporations responding to the survey ranked cultural diversity as a major concern. In addition, 35% of the survey respondents stated that changes in the composition of the workforce have influenced management decisions in areas such as recruitment budgets, and that their company's strategic plan incorporates initiatives to address a culturally diverse work force. Similar concerns were also expressed by the respondents about accommodating more women in their work forces. **Fortune** reported that some large companies such as Goodyear, Hewlett-Packard, and Proctor and Gamble are hiring managers with the term "diversity" in their job titles.[3]

Much of the concern about "diversity" has focused on the changing demographics of the labor force. While demographics are an important dimension of any analysis of diversity, there are other dimensions that overlay demographics and are equally important for understanding the changing nature of the workforce. Some of the dimensions are economic and others are sociological. "Sorting out" these dimensions is necessary to an understanding of "within-group" as well as "among-group" differences.

The term "economic dimension" refers to indicators such as labor force participation; employment and unemployment; and distributions of wages, wealth, and poverty. The term "sociological dimension" (which could also be called the social-psychological dimension) refers to factors that can and do have a bearing on individuals' and groups' relative success in the labor market. They include education and language, location of residence, family status and structure,

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1 William B. Johnston and Arnold Packer, Indianapolis, IN: The Hudson Institute.

2 Joel Dreyfus, "Get Ready for the New Work Force, "Fortune (April 23, 1990), pp. 167-180.

3 Dreyfus, 1990.

culture, and psychological considerations. A significant aspect of the latter – "cultural and psychological considerations" -- includes the growth in the numbers of potential and present participants in the labor market who might be homeless, have drug abuse problems, or may be limited by disability.

Analysis of the diversity of the labor force along all these dimensions is significant for several reasons. Much of the concern about growing diversity has focused on demographic diversity and projected or expected declines in the skill level of these newer members of the labor force, especially when they are compared with the core of the "traditional" labor force, i.e., white males. Maintaining a high skill level is essential to the nation's present and future economic well-being.

Understanding the diversity among and within demographic groups is vital to short- and long-term planning in education and training. Traditionally, attention has been given to the differences between blacks and whites; somewhat later, attention was given to comparing these two groups with each other and with Hispanics. Now some consideration is also being given to Asians as a group. However, as is shown later in this report, there is great diversity within each of these broadly defined groups.

- Most whites are native born, but not all are. About two-thirds of them are in the middle class, but what about the other third? Some whites are immigrants with limited English language proficiency.

- About 60% of blacks live in inner cities. Some live in suburbs. Almost half of blacks live in the South. More than half are in the middle class. In some places, substantial numbers of blacks are immigrants and have limited English proficiency.

- Although about 75% of Hispanics are of Mexican origin, the balance have different countries of origin and differ in some of their characteristics.

- Asians come from different countries and have different languages and traditions (sometimes within countries). While they share many characteristics, they also differ in many.

Focusing solely on demographics could lead to misdirection and misuse of resources: while there are many differences among the demographic groups, it is important to understand that there are important differences within the groups as well. Not all members of the nonwhite demographic groups and immigrants bring skill deficits to the workplace. Nor do all members of the core of the "traditional" labor force possess all of the skills necessary for the futur..

It should be noted further that while the issue of diversity is a national issue, it is not necessarily an issue in every region, state, or city. While some members of each of the demographic groups can be found in each of the 50 states, there are definite patterns of concentration that may have a significant bearing on the relative labor market success of members of the groups.

Demand Side Changes

Changes in the supply side of the labor market resulting from increasing diversity are taking place against a backdrop of important and rapid changes on the demand side as well. A fundamental result of the demand-side changes has been the increased importance of basic skills as a qualification for employment.

The U.S. economy is one that has been transformed from an economy that depended upon the production of goods as the primary source of employment to one that depends on the service sector as the major source. Increasingly, the U.S. economy is interdependent with the economies of other nations. The decline in employment opportunities in manufacturing and changes in technology have affected employment in the production of both goods and services -- both factory and office depend upon technology-based processes to an unprecedented degree and this places a greater premium on basic skills (education).[4]

The City of Chicago provides an example. Often perceived as the quintessential goods-producing city, Chicago lost 129,000 manufacturing jobs during the 1980s and the service sector became the "dominant source of employment," according to a recent study of the hiring of Job Training Partnership Act program participants. Sixty percent of all the jobs in Chicago are provided by wholesale and retail trade, finance, insurance, and real estate and various other services.[5]

Other changes on the demand side took place during the 1970s and 1980s that have changed the relationship between many employers and their employees. In particular, employers in many industries have found it necessary to have more flexibility in the ways they produce goods or services. This has resulted in increases in part-time work, temporary work, and leased and/or contract work. The name "contingent work" has been given to these developments. In the past, concern has been expressed by some analysts[6] that contingent work would fall primarily to the economically disadvantaged and would result in low wages, loss of opportunity for employer-financed training, and loss of employee benefits. The limited number of studies on this topic suggest that there are some "good jobs" (with good pay and benefits) in the contingent work environment, but that these jobs will be held by workers with skills.[7]

Project Methodology

Three principal activities were undertaken as part of this project: (1) a literature search and review; (2) a data review and analysis; and (3) a National Commission for Employment Policy-sponsored (NCEP or the Commission) conference on "Training a Diverse Population" which was held in the summer of 1990.

The literature search was extensive. Although it concentrated first on studies focusing on the economics of the labor market, it included examination of books

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4 Examples of reports by the National Commission for Employment Policy in these areas include Computers in the Workplace: Selected Issues, Report No. 19, 1986: and U.S. Employment in an International Economy, Report No. 24, Washington, DC: The Commission (1988).

5 Kenneth Wong and Becky Roselius (1990), Finding Work: A Pilot Project to Study the Hiring of JTPA Participants, Unpublished paper, Chicago, IL: University of Chicago, 1990.

6 See, for example, Richard Belous, "Contingent Workers and Equal Employment Opportunity" in Proceedings of the Forty-First Annual Meeting of the Industrial Relations Association, Madison, WI: IRRA, 1988.

7 For a review of these deveopments see Susan Christopherson, Theirry Noyelle and Beth Redfield, Flexible Employment, Contingent Work: Implications for Workers' Benefits, Washington, D.C.: U.S. Department of Labor, 1990, (available through NTIS).

and reports from several disciplines and reports in the print media.

The data used for this project are based largely on the 1980 Census of Population because the project work began at about the same time the 1990 Census was getting underway. Persons conducting studies of, and preparing articles on, the groups were also limited by the data available to them. While some used (survey) data more recent than the 1980 Census, others used the 1980 and even older sources.[8]

Before discussing the third activity, the conference on Training a Diverse Population, it is appropriate to mention a major limitation of both the data sources and the literature. Much of what follows provides information, in considerable detail, on whites, blacks, and Hispanics (who may be black or white, or members of any race). Much less is provided on other groups, such as Native Americans and Asians, especially more recent immigrants from Southeast Asia. In this regard, the report reflects what is available. Detailed information on blacks really began with the Census of 1940 and the collection of detailed data on Hispanics began in 1970. In the past two decades, social and labor market research has concentrated largely on the Nation's two largest minorities -- blacks and Hispanics.

NCEP's Conference on Training a Diverse Population was designed in part to help fill this gap in information. An effort was made to invite participants with special knowledge of the range of groups making up the diverse population so that the Commission could expand its knowledge about the groups and their needs. Approximately 75 persons participated; they represented a broad spectrum of government, private, and employer organizations.[9]

Conference discussions were organized around four topics: the growth of the diverse population; the changing demand for labor; employer-led efforts in training a diverse population; and public sector efforts in training the diverse population. The conference discussions and the papers prepared for it have contributed importantly to this report.

Outline of Report

This report examines the multi-dimensional nature of the diversity of the nation's labor force. It does so in ways that place the issues of diversity in a labor market context and perspective. Greatest emphasis is placed on various measures of economic diversity within the population generally and within and among the demographic groups specifically. The report also focusses on the reasons for the differences that lead to difficulties in the labor market; as will be seen, the extent to which these reasons can be understood is limited by the availability of relevant information.

Section II of the report summarizes data on the several dimensions of economic diversity that were described earlier. Section III discusses reasons why some members of the work force have difficulty in securing and retaining employment. Section IV examines the program and policy implications that grow out of the analysis.

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8 The supporting tables based on these data can be found in Appendix A.

9 See Appendix B for a list of conference participants.

II. PROFILE OF THE CHANGING LABOR FORCE: Beyond the Demographics

This Chapter has two purposes. One purpose is to describe diversity in the American work force. The Chapter's second purpose is to illustrate the amount and type of national information on the "diverse population" that is generally available to policymakers at all levels of government and among private sector employers, to educators, and to members of the employment and training community.

Diversity in the workforce can be described along two dimensions. The first is demographic, the typical way in which diversity has been viewed. The second dimension is economic, important because it portrays the demographic groups' current and likely future well-being. Differences across demographic groups as well as changes in their relative positions over time are discussed. As will be shown, some indicators suggest that diversity across groups has increased; other indicators suggest diversity has decreased; and still other indicators suggest no changes have occurred.

The review of the available information relies first on data published by the government and then on information from a variety of sources -- academic studies, the print media, and publications of organizations that represent race/ethnic groups. This approach makes apparent the relative paucity of information that is readily accessible to individuals and organizations responsible for educating, training, and employing people from many backgrounds and cultures.

Published data are available on the major demographic groups -- men and women; whites, blacks, Hispanics, and Asians. Additional, but more limited, data are available on Hispanics of Mexican or Cuban descent, and Puerto Ricans. For the Asian subgroups there is a small amount of information available on Chinese, Filipinos, Japanese, Indians, Koreans, and Vietnamese.

It should be noted that Hispanics may be of any race. There are white, black, and Oriental Hispanics. In general, due to data limitations, groups are described as white, black, or Hispanic. However, where possible, data are presented in terms that specify "white non-Hispanic," and "black non-Hispanic." In developing this report, it has been necessary to use both kinds of data.

The differences between the white and black populations are well-documented. However, the differences within each of these groups are not well-understood largely because data on their experiences are not readily available. For example, only local or anecdotal information is available on the large community of Russian immigrants, as well as other immigrants, who moved into New York City during the 1980s and for the black immigrants from various Caribbean and African countries who located in other East Coast cities during the past decade.

Demographic Diversity

Over 141 million people will be in the U.S. labor force in the year 2000, up from about 122 million people in 1988, according to projections of the Bureau of Labor Statistics.[1] This projected increase of almost 19.5 million people takes into account both the number of people expected to enter the labor force as well as the number projected to leave it.[2] It translates into an annual rate of growth which is somewhat smaller than that of the 1976-1988 period (1.2% versus 2%).

Much of the interest in the growing diversity of the labor force has focused on how much of the projected net growth is attributable to the growth of various demographic groups. Data such as those in Table 2.1 suggest that there will be dramatic changes in the demographic composition by the year 2000. For example, the net growth in the labor force that is due to the growth of white non-Hispanic women far exceeds that of white non-Hispanic men (almost 7 million women compared to 2.3 million men). In addition, the net growth of both Hispanic men and women is somewhat greater than that of white non-Hispanic men (2.9 million and 2.5 million Hispanic men and women respectively).

Table 2.2 puts these figures on net growth into perspective. It provides snapshots of the demographic composition of the labor force in 1988 and that projected for 2000. These data make apparent the fact that while there will be changes in the proportions of various groups who are in the labor force, the overall composition will be about the same as it was in 1988. For example, the proportion of white men will have declined only slightly (from 48% to 45%) and the proportion of white women will have increased only slightly (from 38% to 39.5%).

The most dramatic shift projected for the composition of the work force is within the "minority groups." In contrast to the situation in 1988, by the year 2000 there are likely to be more Hispanic than black men in the labor force (8.0 million blacks and 8.3 million Hispanics.)

Economic Diversity

How can these various demographic groups be expected to fare in the labor market over the coming years? Since projections on their economic status are not available, it is necessary to look to historical patterns for indicators of possible future behavior. The measures of economic diversity discussed here include: labor force participation rates, unemployment rates, occupational distributions, and various indicators of income. This range of measures is important to examine, because each connotes a different aspect of "economic success" and the groups vary among and within themselves.

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1 The labor force protection figures in this section, unless otherwise indicated, are from Howard N. Fullerton, Jr., "New Labor Force Projections, Spanning 1988 to 2000," [U.S. Bureau of Labor Statistics, Monthly Labor Review, Volume 112, No. 11, November 1989.]

2 Net labor force growth or "net change" is the difference between the number of people who enter the work force and the number who leave it. The number of new entrants is determined by historical birth rates and immigration. The number of leavers is determined by retirement and deaths.

Table 2.1
Net Change in the Composition of the Civilian Labor Force from 1988 to 2000 (a)

	Net Change (in 1,000s)	Percent of Total
White non-Hispanic Men	2,265	11.6
White non-Hispanic Women	6,939	35.7
Black non-Hispanic Men	1,302	6.7
Black non-Hispanic Women	1,754	9.0
Asian and Other Men	950	4.9
Asian and Other Women	910	4.7
Hispanic Men	2,877	14.8
Hispanic Women	2,464	12.7
Total	19,461	100.0

(a) Persons 16 years and older.

Source: Fullerton, Table 7.

Table 2.2
Number of Persons 16 Years and Older in the Civilian Labor Force by Race/Ethnicity, 1988 (Actual) and 2000 (BLS Moderate Projections)

Group	1988(in 1,000s)	Percent of Total	2000(in 1,000s)	Percent of Total
White Men	58,317	47.9	63,288	44.8
White Women	46,439	38.2	55,693	39.5
Black Men	6,596	5.4	8,007	5.7
Black Women	6,609	5.4	8,458	6.0
Asian Men	2,015	1.7	3,029	2.1
Asian Women	1,694	1.4	2,659	1.9
Hispanic Men (a)	5,409	4.4	8,284	5.9
Hispanic Women(a)	3,573	2.9	6,037	4.3
Total	121,669		141,134	

(a) Persons of Hispanic origin may be of any race; thus the percentages do not add to 100.

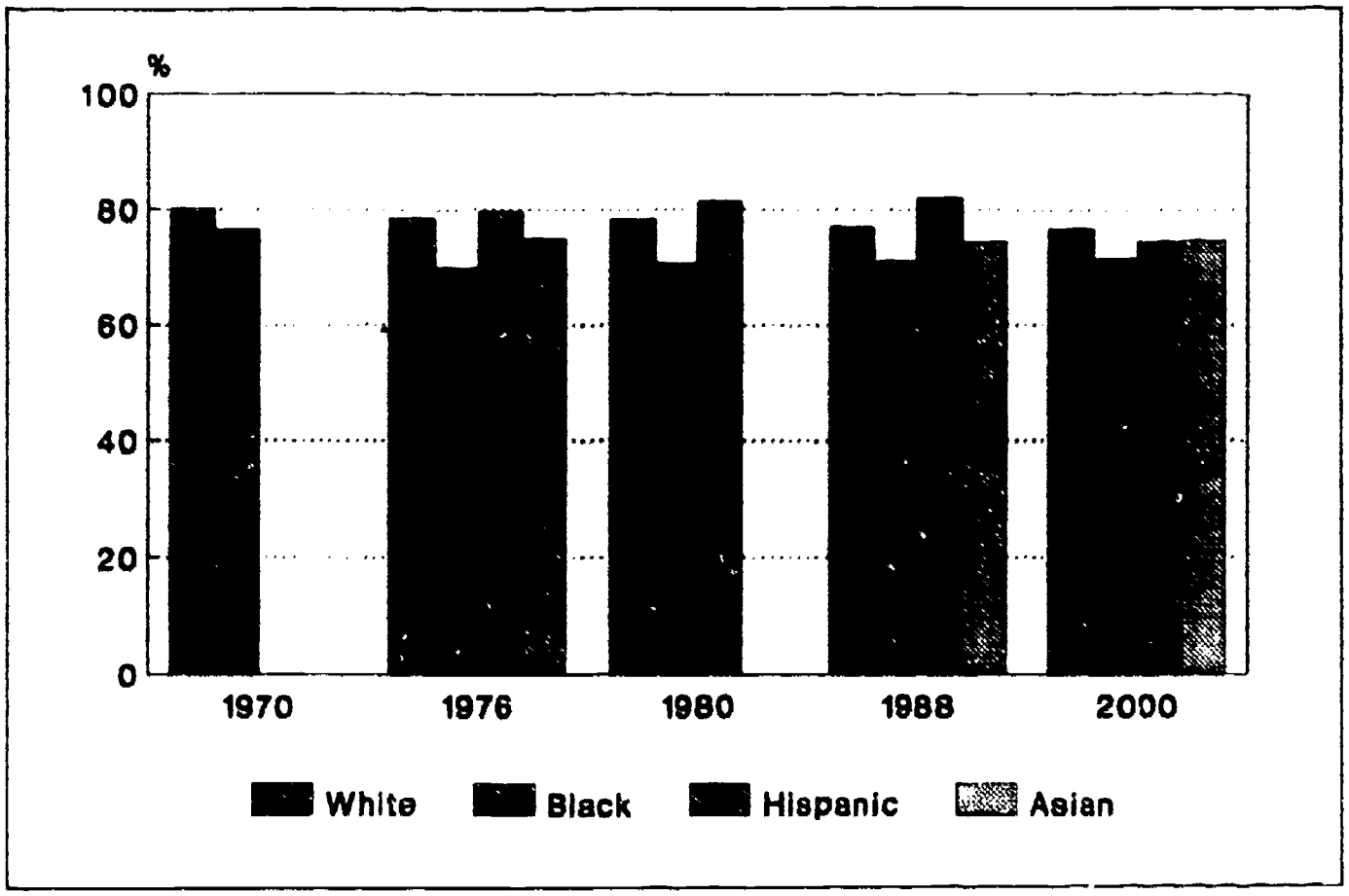
Source: Fullerton, Table 1.

Labor Force Participation Rates

The labor force participation rate is the percentage of a population that is employed or unemployed (on temporary layoff or looking for work). It may be interpreted as a measure of attachment to the work force; such attachment is important because most people's income is derived from employment in the conventional labor market. For men, being a member of the labor force is a traditional and expected role. While being a member of the labor force has not been a traditional role for all women, both economic necessity and personal choice have caused increasing numbers of women to join the labor force over the past several decades.

Civilian labor force participation rates for white, black, and Hispanic men are shown in Figures A. The data are for selected years between 1970 and 1990.[3]

Figure A
Men's Labor Force Participation by Race/Ethnicity
1970-1988 (actual) and 2000 (projected)



[NOTE: The are several sources for this Figure and Figure C. They include U.S. Bureau of the Census, Statistical Abstract of the United States: 1988; U.S. Bureau of Labor Statistics, Employment and Earnings, Annual Averages-1990; Fullerton, 1989, Table 4.; U.S. Commission on Civil Rights, The Economic Status of Black Women: An Exploratory Investigation, 1990, Washington, DC: The Commission, Table 1.2.]

3 The years were chosen so that as much historical information as possible could be presented on the demographic groups.

Examination of men's labor force participation rates reveals two points. First, there is a wide range in the proportions who are in the work force. The lowest rate of participation is found among black men (71% in 1988). Hispanics had the highest rate of participation (82%).

Differentiation within the Hispanic and Asian groups indicates considerable diversity there as well. Hispanic men's high rate of participation is due largely to the experience of one group, Mexican-Americans.[4] The proportion of Puerto Rican men who are in the work force is closer to that of both black men (for example, 73% in 1988).[5]

Among Hispanic men, the foreign born have a somewhat higher rate of labor force participation than native born (69.9% compared with 64.4%). However, Hispanics who immigrated in the latter half of the 1970s have a lower participation rate than those who immigrated earlier.[6]

The proportions of Asian-American men who are in the work force also varies widely depending upon their country of origin and their place of birth (native born or immigrant). For example, in 1980 among native-born Asian-Americans the highest proportion in the work force was for men from the Philippines (93%); the lowest proportion was from India (80%). Among immigrants, the highest proportion in the work force was from India (94% in 1980); the lowest proportion was from Vietnam (80 %).[7]

The second point about men's labor force participation is that the patterns of the groups have differed over time. Asian and Hispanic men appear to have had consistently high and stable rates of participation. In contrast, the proportions of both black and white men who are in the labor force have been declining for several decades. The two groups differ in the reasons for the decline.

For white men, the decline has been largely associated with the decreasing proportion of older workers who are in the labor force.[8] For black men, the decline has been associated with decreasing participation of both older and younger workers. The decline in the proportion of older black workers who are in the labor force has been sharper than that of white men. For

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4 Over 80% of Mexican-American men were in the work force in 1988.

5 The figure is for Puerto Rican men on the mainland only. The data on Mexican-American and Puerto Rican men are from U.S. Bureau of Labor Statistics, Employment and Earnings, Volume 36, Number 1, January 1989.

6 William P. O'Hare, Assimilation and Socioeconomic Advancement of Hispanics in the U.S., Washington, D.C.: Population Reference Bureau, 1989.

7 The comparable figure for white non-Hispanic men was close to 90%. U.S. Commission on Civil Rights, The Economic Status of Americans of Asian Descent: An Exploratory Investigation, 1988, Washington, D.C.: The Commission.

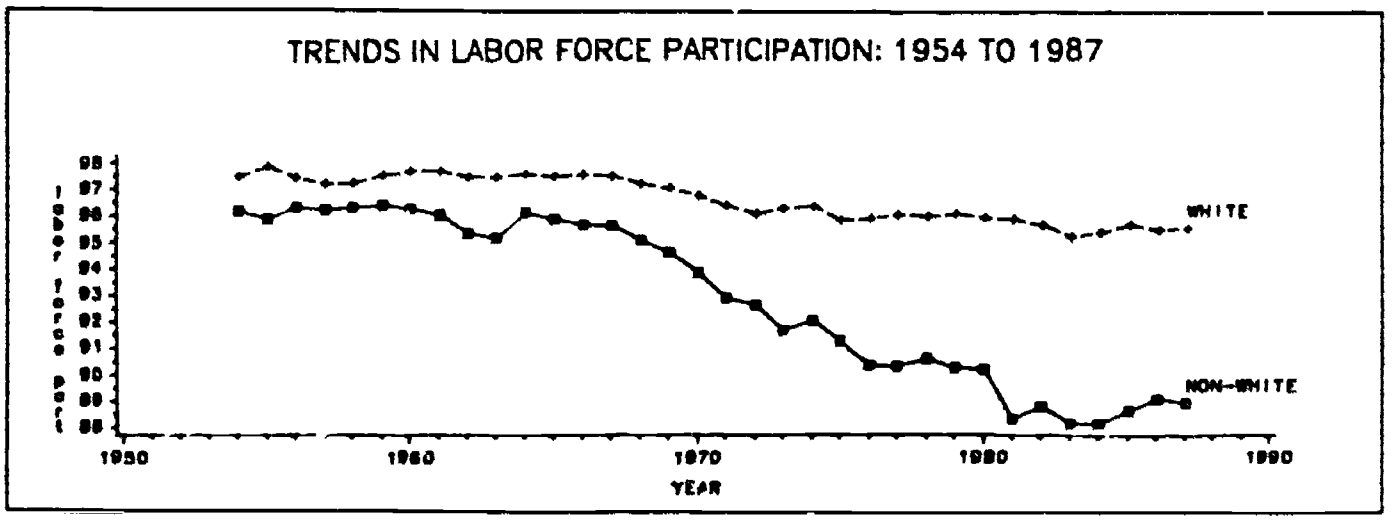
8 Between 1970 and 1980, the proportion of older men who were in the labor force fell from 83% to 73%; by 1988, the percentage had fallen to 68%. Older men are defined as being 55 to 64 years of age. The data given here are from the Employment and Training Report of the President, 1982 and U.S. Bureau of Labor Statistics, Employment and Earnings, January 1989. For a discussion of the reasons for the declining participation rates of both white and black men, see National Commission for Employment Policy, Older Workers: Propsects, Problems, and Policies, 9th Annual Report, Report Number 17, 1985, Washington, D.C.: The Commission

example, while it took a decade for the participation rate of older white men to decline by 10 percentage points, it took only five years for a similar decline to occur among older black men.[9]

The decreasing labor force participation of young black men is well known and has been a longstanding public policy concern.[10] As Figure B demonstrates, close to 90% of nonwhite young men (age 20 to 24) were in the labor force between the mid 1950s and mid 1960s. By the 1980s, fewer than 80% were in the work force.

Figure C presents information on the labor force participation of women from the race/ethnic groups.

Figure B
Trends in Labor Force Participation White and Non-White Men Aged 20-34
1954-1987



Source:Ronald D'Amico, The Extent and Pattern of Joblessness Among Minority Men, 1989, Washington, D.C. U.S. Department of Labor. (Obtainable through NTIS).

Women's patterns of labor force participation differ from those for men in two ways.

* In contrast with black men, black women have had the highest participation rates and Hispanic women have had the lowest participation rates (58% compared to 53% in 1988, for example).[11] Among Hispanic women, those of Puerto Rican origin have the lowest labor force participation rate. Thus both Puerto Rican men and women are the least likely to be in the labor force.[12]

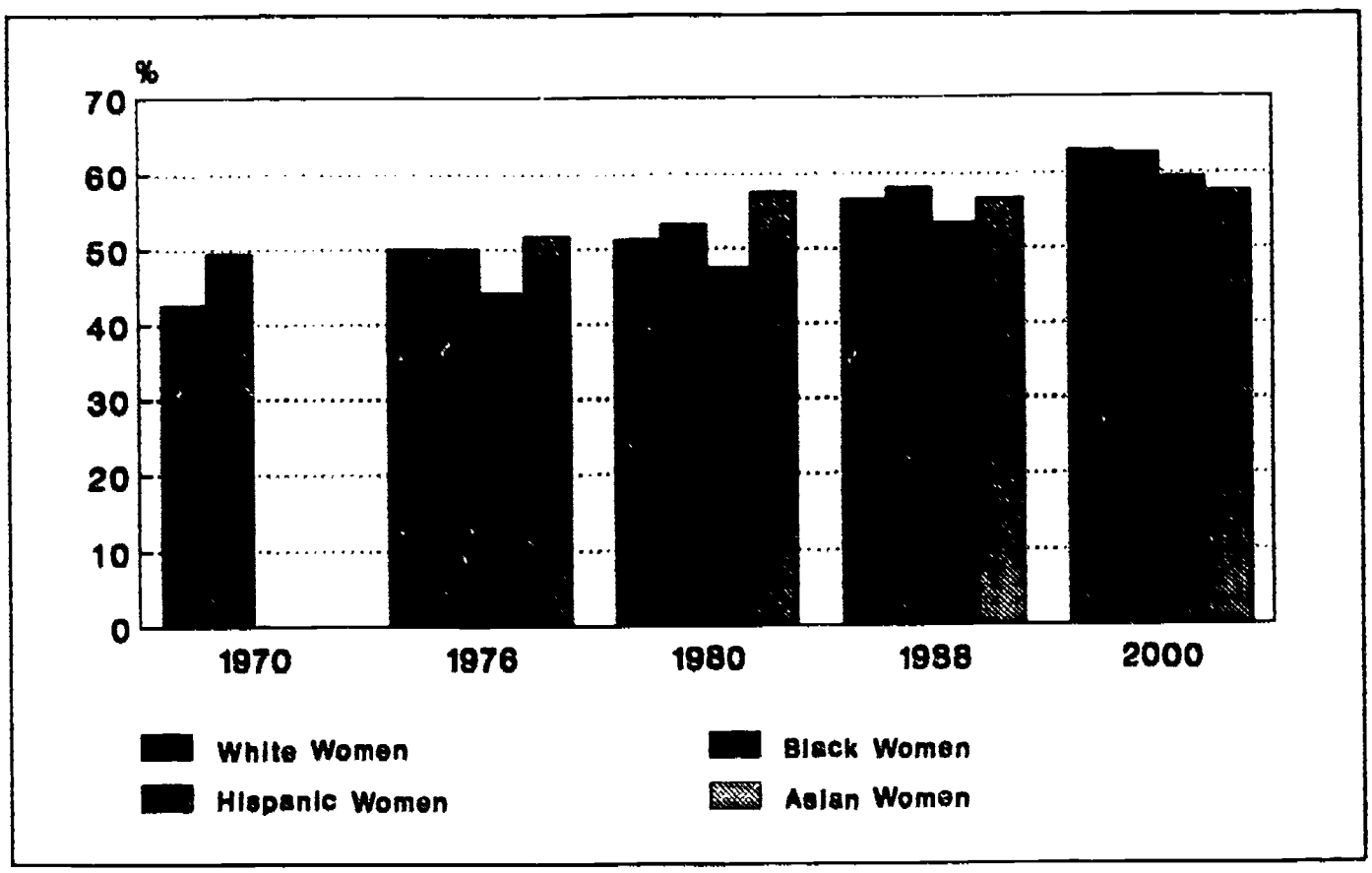
9 Between 1970 and 1975, the participation rate for older black men fell from 79% to 69% and by 1988 it had declined to 60%. Employment and Training Report of the President, 1982, Table A-5.

10 For example, see National Commission for Employment Policy, 5th Annual Report, Expanding Employment Opportunities for Disadvantaged Youth, 1979, Washinton D.C.: The Commission.

11 In 1980 Native American women had a participation rate similar to that of Hispanic women, 47.7%. U.S. Commission on Civil Rights, 1990.

12 U.S. Bureau of the Census, 1990, The Hispanic Population of the United States: March 1989, Current Population Reports - Population Characteristics - Series P - 20, No. 444, Washington, D.C.

Figure C
Women's Labor Force Participation by Race/Ethnicity
1970-1988 (actual) and 2000 (projected)



(For sources see the Note to Figure A. See Appendix Table A-2 for data on which figure is based.)

* The participation rates of the various groups of women are both increasing and becoming more similar. By 2000, close to 60% of the women of all the major demographic groups are projected to be in the labor force.

Unemployment Rates

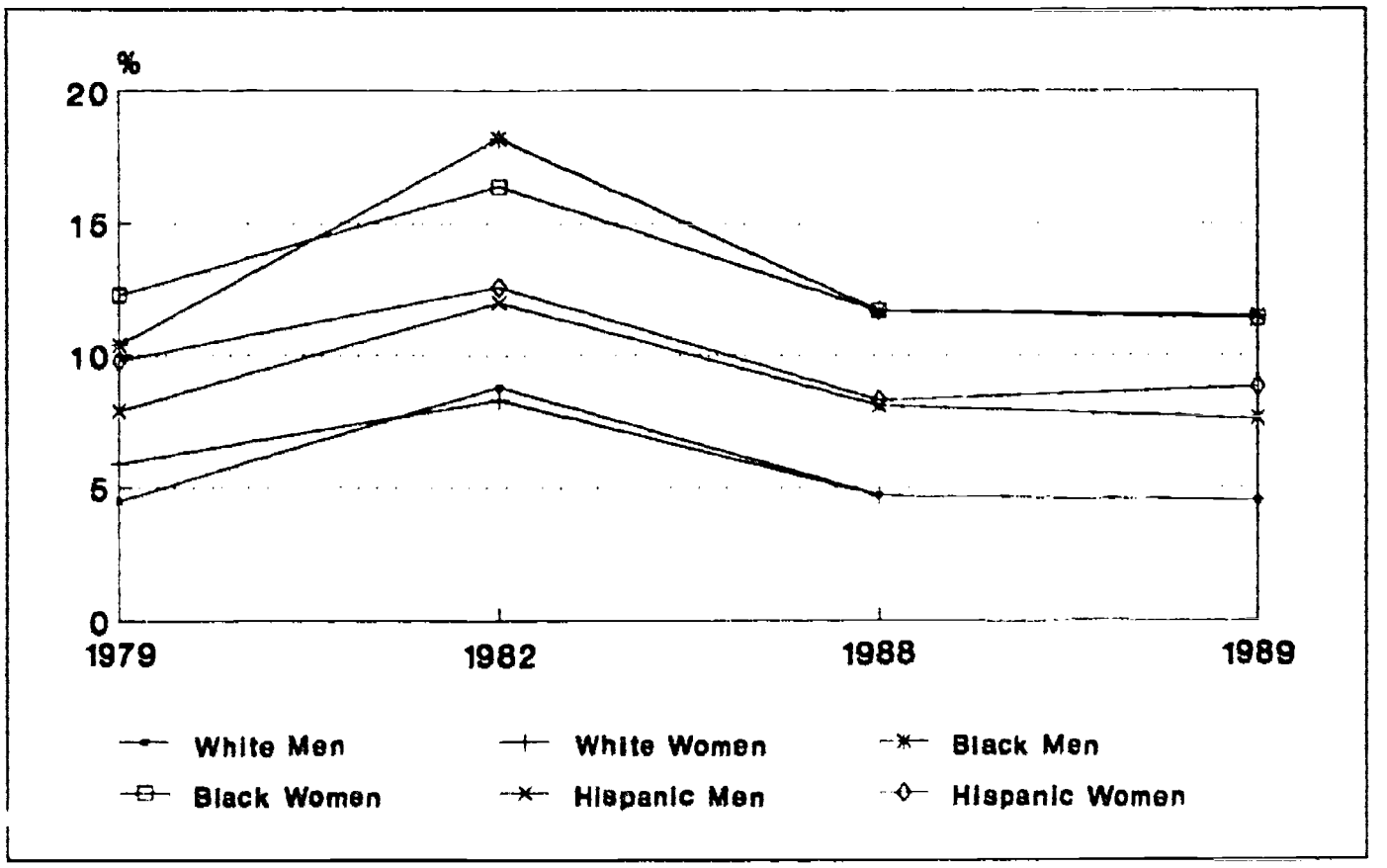
The unemployment rate is the proportion of the workforce that is without employment, but is actively looking for work (or is on temporary layoff). The statistic is important because it is a measure of a group's success in finding jobs.

Unemployment rates for Native Americans are the highest of any group in the Nation. Estimates of unemployment rates for American Indians are in the range of 40 to 60%. The Bureau of Indian Affairs, which publishes official estimates of Indian unemployment, put the unemployment rate for reservation Indians in the mid-1980s in the range of 38 to 48%. The higher range of estimates, 40 to 60% is for off-reservation Indians.[13]

13 Robert G. Ainsworth, An Overview of the Labor Market Problems of Indians and Native Americans, Research Report No. 89-02, 1989, Washington, D.C.: National Commission for Employment Policy.

The unemployment rates of men and women in the three major demographic groups are shown in Figure D for selected years, chosen to show the groups' unemployment rates at different points of the nation's most recent business cycle.[14] The unemployment rate was low in 1979; it was high in 1982; and was low again in 1989. The year 1988 is included for purposes of consistency with other tables.

Figure D
Unemployment Rates of Persons 16 Years and Older by Race/Ethnicity and Sex for Selected Years (a) (b)



(a) Data for blacks include "black and other."
(b) Data for hispanics are for persons 20 and older.
Sources: Employment and Training Report of the President, 1982; U.S. Bureau of the Census, Persons of Hispanic Origin in the United States: March 1979, Current Population Reports, Population Characteristics, Series P-20, No 354, October 1980; U.S. Bureau of Labor Statistics, Employment and Earnings, January Issues 1989 and 1990, Volume 36, Number 1, Volume 37, Number 1, Washington, DC.

When examined from the perspective of diversity, the data make three points.

* There is relatively little diversity in labor market opportunities between men and women within race/ethnic groups. For example, the unemployment rate of white women was only slightly below that of white men in 1982 (8.3 versus 8.8%); in 1989 the unemployment rates were identical.

[14] Supporting data are shown in Appendix Table A-3.

* There are wide differences in unemployment rates across racial/ethnic groups. The black unemployment rate is twice that of whites and the unemployment rate of Hispanics is between that of blacks and whites.

* The relative positions of the unemployment rates for men and women and for the race/ethnic groups has remained virtually unchanged over time.

Data on the unemployment rates of Hispanic subgroups show a similar pattern: there are differences among Hispanic subgroups and the differences are relatively stable over time. Puerto Ricans have the most difficulty finding jobs; for example, their unemployment rate was 12.1% in 1988.[15]

Data for the other race/ethnic groups are not provided on an annual basis. An analysis of 1980 Census data[16] shows that there is diversity among the subgroups of the Asian population and differences between immigrant and native-born Asian workers.

The unemployment rates of immigrant Asian men were consistently below those of white non-Hispanic men (4.3%). They ranged from a high of 3.6% among Vietnamese to a low of 1.8% for Japanese. Within the native-born population, there was a greater variation in unemployment rates. Indian and Filipino men had unemployment rates higher than non-Hispanic white men (7.6% and 5.3% respectively compared to 4.0% for the white men). Korean, Japanese and Chinese men had unemployment rates below 2%.[17]

Overall, the data on Asian women indicate an unemployment rate that parallels that of non-Hispanic white women (5.2% compared to 5.6%).[18]

Earnings

Statistics on earnings and occupations indicate the economic success of those who are employed. A close relationship exists between the kind of job an individual has and the amount he or she earns. Along these dimensions there are differences within groups as well as among them.

The earnings of white men comprise the yardstick against which the earnings of the other demographic groups usually are measured. Earnings of particular groups are expressed as ratios of the earnings of white men.[19]

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15 U.S. Bureau of the Census, The Hispanic Population in the United States: March 1989, Current Population Reports, Population Characteristics, Series P-20, No. 444, Washington, D.C. Table 2.

16 U.S. Commission on Civil Rights, 1988.

17 The data reported here from the Commission on Civil Rights are based on an analysis of 1980 Census data. The Census data are self reported as contrasted with the interview information gathered in the Current Population Survey on which the estimates for the largest race/ethnic groups are based.

18 U.S. Commision on Civil Rights, 1990.

19 There are studies of course that compare the earnings of women by race/ethnic group, as well as women's earnings with those of men. The analysis by the U.S. Commission on Civil Rights of the economic status of black women, 1990, cited previously is an example.

In general white men have the highest earnings,[20] black men are in the middle, and Hispanic men have the lowest earnings. In 1990 the figures for the three race/ethnic groups were: white men almost $500; for black men, $360; and for Hispanic men, $322. Women's earnings were much lower. (These figures are for employed persons with earnings; they would be somewhat different if persons with zero earnings were included in the calculation.) See Appendix Table A-5.

Earnings data for black workers are available back to 1940, about 30 years longer than data for Hispanic workers. Over the decades employed black workers have made progress in narrowing the gap between their wages and those of their white counterparts. As Appendix Table A-6 shows, in 1940 black men earned about 40% as much as white men; by 1980 black men's earnings were almost 75% of their white counterparts' earnings. After 1980, the ratio of black to white male wages fell to 68% (in 1985) and then began to rise again. By 1987, it was 70.3%.[21]

Employed black women have made more progress in closing the earnings gap between themselves and white women, but both lag behind men. Prior to World War II, black women earned 40% that of white women; by 1980, they earned 90% of the amount earned by white women. The relative decline in black women's wages seen in 1986 (to 87%) parallels the decline found among black men and is likely to be due to the recession of the early 1980s. See Appendix Table A-7.

Hispanic men, with the exception of Cuban-Americans, have lost ground in their earnings as compared with those of white men. Mexicans gained over most of the period, but then lost ground during the latter part of the 1980s. Mexican immigration has proceeded apace, and there is an unresolved question as to whether the lower earnings of the recent immigrants (as compared to the earnings of native-born workers) might account for some of the decline. These comparisons, for the period, 1971-72 to 1985-87, are shown in Appendix Table A-8.

In the early 1970s, black males had lower earnings than Hispanics, but by the 1980s, the positions were reversed and Hispanic men had the lowest earnings among men among the race/ethnic groups.[22]

The U.S. Civil Rights Commission's study of 1980 Census[23] data provides some information on the earnings of Asians. Native-born Chinese, Japanese, and Korean men appear to earn slightly more than native-born white men. Among foreign-born Asian men, Japanese and Indians earn slightly more than foreign-born whites. Earning less than foreign-born whites are Chinese, Filipinos, Koreans, and Vietnamese.

Among Asian women, foreign-born women from all groups except the Vietnamese earn more than their foreign-born white counterparts. For native-born Asian women, data were available for Chinese, Filipino, and Japanese

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20 Some Asian men have higher earnings than white men.

21 James P. Smith, The Emerging Hispanic Underclass, RAND Corporation for U.S. Depatrment of Labor, Table 2.4. 1990 (available through NTIS).

22 Smith, 1990.

23 U.S. Commission on Civil Rights, 1988.

who all earned more than native-born non-Hispanic white women.

The official, published income figures tell an important part of the story about all the groups, but there are groups for whom more information is needed. Large gaps remain in our knowledge of the true economic status of certain race/ethnic groups. Not enough is known, for example, about the Asian ethnic enclaves that exist in a number of places. In information provided for the National Commission for Employment Policy's Conference on Training a Diverse Population, it was revealed that some recent immigrant waiters in New York City's Chinatown worked only for tips; their earnings are not known. Likewise, little is known about the earnings of other restaurant employees who worked in nontipped positions.

In another example, some factories in the garment industry are owned by persons from particular race/ethnic groups who hired primarily recent immigrants from their own ethnic group and little is known about the wages they receive. Still another example: Asians reportedly have high family incomes, but not enough is known about the number of employed family members in certain Asian groups. It is thought that among some groups, children begin to work and contribute at a young age. If this is true, the high Asian family incomes might be seen in a different light.[24]

Perhaps the same points could undoubtedly be made about recent immigrants in other black and Hispanic ethnic enclaves such as the Dominicans in New York or Cubans in Miami.

Occupations

As indicated in the beginning of this subsection, there is a close relationship between one's occupation and one's earnings. By and large, the earnings figures for the race/ethnic groups reflect their distribution in the occupational structure. The occupational distributions for the three largest demographic groups in 1990 and 1983 are shown in Appendix Table A-9.[25]

In general blacks and Hispanics are found in occupational groupings that traditionally have been highly susceptible to the expansions and contractions of the business cycle and have lower pay. Blacks and Hispanics have relatively more of their workforces in the lower-paid, more vulnerable occupations. In 1983 some 47% of Hispanic workers were in the service and operative/laborer category, as were 48% of black workers. By 1990 both groups had reduced this concentration slightly to 45%. In contrast, the corresponding rates for white workers were 28% in 1983 and 26% in 1990. Asians and whites have had larger shares of their workers in groups that traditionally[26] have been less sensitive to the business cycle and have higher pay.

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24 See Louise Kamikawa, The Pacific/Asian Myth and Anna Stern, Immigrants and Refugees, papers prepared for the National Commission for Employment Policy Conference on Training a Diverse Population, 1990.

25 It should be noted that in Tables 2.8 through 2.10 that the term "managerial and professional" includes a wide variety of workers. The variety includes the range of workers from the owner/operator of a coffee shop to the owner of a filling station to the Chief Executive Officer of a major multinational corporation.

26 "Traditionally" is used advisedly here; recent experience suggests that middle managers and other salaried workers have become less immune to the business cycle.

There is diversity within groups in their occupational distributions. The overall figures for the Hispanic population approximate the figures for those workers of Mexican origin, who have the highest concentration of workers in service and operatives/laborers – roughly one-quarter. Workers of Cuban origin have the lowest concentration – not significantly different from that for white workers. Cubans have a significantly larger percentage of workers represented among managers and other professionals (almost 25%) than do the other groups of Hispanics. Cubans, of course, established a sizeable economic ethnic enclave in and around Miami with many large and small businesses. The owners and operators of these businesses are classified as managers and professionals. Data are shown in Appendix Table A-10.

Asian workers generally are arrayed quite differently in the occupational distribution than are other demographic groups. Chinese, Indians, Japanese, and Koreans have much larger percentages of their workers among managers and professionals than do whites. Among Asian workers, about 60% of foreign-born Indians are managers and professionals as are about 31% of native born. In comparison, slightly more than 25% of white workers are classified as managers and professionals. Almost half of foreign-born Japanese are so classified as against 31% of native born. About 40% of native-born Chinese and Koreans are managers/professionals. Asians, with the exception of the Filipinos and Vietnamese, have much lower percentages of their workers in the service and operatives/laborer classifications. Data on the occupational distributions of Asian workers are provided in Appendix Table A-11.

Poverty Status

Over the past 30 years there has been a general downward trend in the size of the poverty population. In the late 1950s the national poverty rate was about 22%; by the mid 1980s it was at about 13.5%, having reached a low of about 11% in the mid-1970s.[27] However, not all groups in the society have shared in this general decline in poverty. As is the case with the other dimensions of diversity discussed in this chapter, there are variations among and within the race/ethnic groups. Sizeable differences in poverty levels exist among the groups that have been the subjects of this report. The data are presented in Appendix Table A-12.[28]

Poverty data for the 1980s, suggest that among men there have been some shifts in the poverty figures. One study of the incomes of men[29] traces the growth of both

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27 U.S. Bureau of the Census, Statistical Abstract of the United States: 1988, Washington, D.C., Table 713.

28 This table is drawn from a study that used data from the full 1980 Census to compare poverty rates among groups on a much more detailed basis than do the studies based on the Current Population Surveys which tend to classify groups in larger more inclusive categories. The table gives poverty rates for Native Americans, blacks, Hispanics (in four subgroups), and Asians (in six Asian and Pacific Island subgroups).

29 Smith 1990, The Emerging Hispanic Underclass. Smith devised his own method for measuring poverty that establishes the initial poverty criterion at 11% of white male earings in 1979, and makes adjustments for income growth or contraction. Smith's measure of affluence is 4/3 of the white male median income.

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poverty and relative affluence among the race/ethnic groups.[31]

The figures from that study (Appendix Table A-13) tell two stories. The first is that the rate of poverty grew among whites, blacks, and all Hispanic groups. The second is that there is diversity within these demographic groups and that generalizing about any group is unwarranted. All have poor, middle class, and affluent members. The size of the affluent category grew for all race/ethnic groups, but the increase since 1971 was fastest for blacks. Tracing the figures back to 1940, data indicate that in that year only two percent of black men could be counted among the economic elite. By 1980, that figure had risen to almost 12%. The proportion of men in the middle class diminished in all groups.

Other Groups

Three additional categories or groups are included in the analysis: the homeless, persons with disabilities, and persons with drug abuse problems. Fragmentary information is available about their labor market status.

Homeless

Estimates of the number of homeless vary widely. In the mid-1980s, the U.S. Department of Housing and Urban Development estimated the number to be between 250,000 and 350,000. Advocates for the homeless use a figure in excess of 2 million. The Urban Institute estimated the number at about 600,000.[32] Clearly, most of the homeless have problems of low income since they can not afford housing, but not all are unemployed. A 1989 study of the homeless[33] surveyed homeless people in soup kitchens and shelters. It found that almost 6% indicated that they were working steadily; about a quarter had worked for pay sometime during the three months preceding the interview; and more than half said that they had looked for work during the previous month.

Drug Abusers

Abuse of drugs, both legal and illegal, is a matter of concern in employment and other public policy arenas. Employers are concerned because the impact on productivity and payroll costs. Public policy is concerned because of the demand placed on human service systems generally; health care, social services, criminal justice, are all affected by demands resulting from drug use problems.[34]

Drug abusers are found among both the employed and the unemployed. They are found at all levels of society and among all race/ethnic groups. Appendix Table A-14 provides data on illicit drug use in 1988 for persons 12 years of age and older.[35] It gives percentage figures on usage for the major race/ethnic groups.

Examination of the data for young adults, aged 18 to 25, makes two points. First, the

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31 It should be remembered that the figures in Table A-13 reflect the positions of men who are working and not the entire population.

32 National Commission for Employment Policy, Helping the Homeless be Choosers: The Role of JTPA in Improving Job Prospects, Special Report No. 28, 1990, Washington, D.C.: The Commission.

33 The Urban Institute, 1989, telephone interview with Commission staff.

34 NCEP Conference on Training a Diverse Population, 1990.

35 The term "illicit drug use" does not include alcohol and tobacco usage.

size of the "drug using" population varies widely depending upon the reference period. For example, if the reference period is "ever used," then over 50% report having used illicit drugs; but if the reference period is "used last month," then the proportion declines to less than 20%.

Second, regardless of the reference period used, the proportion of whites who report having used drugs is higher than that for either Hispanics or blacks. However, the size of the difference decreases with a shortening of the reference period. For instance, over 60% of whites, but under 50% of blacks and Hispanics, report ever having used illicit drugs. By comparison, 18% of whites reported using drugs during the past month; the comparable figure for Hispanics and blacks is almost 17%.

Persons with Disabilities

Persons with disabilities have been a topic of special concern during the past few years. Activities surrounding consideration and passage of the Americans with Disabilities Act in 1990 helped to draw attention to their concerns.

Persons with disabilities are found in all race and ethnic groups. The number of such persons may depend on the definition of "disability." One widely used, but highly qualified, figure estimates that 43 million Americans have some degree of disability.[36] A definition based upon impairment according to medical criteria would yield a number slightly below 20 million.[37]

There is an extensive body of writings on labor market issues affecting persons with disabilities. The authors use different approaches and have figures that vary but the conclusion is the same. Their labor force participation and rates of employment are quite low, and many are poor. Several authors suggest that about one third of working age persons (16-64 years) with disabilities are employed, and that two thirds are not. One estimate is that 42% of disabled men of working age were employed; this contrasts with 29% of women. These figure include people working full and part-time and year round and part-year workers.[38]

Conclusions

This chapter has presented information on the changing demography of the labor force and has examined aspects of economic diversity that exist among and within the race/ethnic groups making up the diverse population. The chapter synthesizes information about their economic differences. This background is part of the information that should assist policymakers in understanding the issues before the society and the economy resulting from the increasing diversity of the work force.

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36 Discussed in Robert L. Burgdorf, Jr. (1990), Changes in the Workforce, Changes in the Workplace: Employment Policy and People with Disabilities, paper prepared for Commission Conference on Training a Diverse Population, 1990.

37 For a discussion of approaches to defining and counting the disabled see Monroe Berkowitz and Edward Berkowtiz, "Labor Force Participation Among Disabled Person," Investing in People - A Strategy to Address America's Workforce Crisis, Vol. II; Report of Commission on Workforce Quality and Labor Market Efficiency, 1989, Washington, D.C.

38 Reviewed and summarized by Burgdorf, 1990.

In overall terms, the workforce of the future will not be dramatically different from that of today. Much of the general discussion of the changing labor force has focused on the net change in the labor force between the present and the year 2000. Too often, however, the discussion has not distinguished between the "net change" and the entire labor force. The largest gains in the net growth of the labor force in the next decade or so will be registered by women and the race/ethnic groups. However, the aggregate profile of the labor force will be about the same in the year 2000 as it was in 1988. The shares of the net growth of the labor force by women and the race/ethnic groups are forecast[39] to be as follows:

- White non Hispanic Women 35.5%
- Hispanic Men 14.8
- Hispanic Women 12.7
- White non Hispanic Men 11.6
- Black non Hispanic women 9.0
- Black non Hispanic men 6.7
- Asian and other men 4.9
- Asian and other women 4.7

Despite these changes, the labor force in the year 2000 will be about the same: 84% white instead of the 86% found in 1988. It will be about 60% male in 2000 just as it was in 1988. (The percentage of white males will decline from 48% to 45%.)

Although the aggregate profile of the labor force will not change a great deal, it is changing markedly in a number of locations because the race/ethnic groups are concentrated in particular places. Issues related to geographic location of the diverse population are considered in the next chapter.

The data summarized in this Chapter reveal the following broad portraits of the groups that are considered:

* ***Blacks***. Blacks, especially black males, appear to have great difficulty in finding and keeping employment. They have a low and apparently still declining rate of labor force participation as compared with men in the other groups. The black men who are employed earn less than white and Asian men but more than Hispanic men. Black women also have high unemployment rates, but they have higher rates of labor force participation than women in the other groups (except Asian women). Their wages are only slightly lower than those for white women. Almost a third of the total black population is below the poverty line; more than 11% could be classified as affluent.

* ***Hispanics***. Hispanic men appear to have less difficulty in finding employment than black men; their unemployment rates fall between the rates for whites and blacks. Their labor force participation rate is higher than those for whites or blacks. However, Hispanic men earn very low wages. Hispanic women have both low labor force participation rates and low earnings. Around one-quarter of the Hispanic population is below the poverty line; about 13% could be classified as affluent.

* ***Asians/Pacific Islanders***. Asians/Pacific Islanders (for whom data are available) have high rates of labor force participation, relatively low unemployment, and high earnings. Generally, their levels on each of these

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39 In Fullerton, Op. Cit.

measures exceeds those for whites. The same is true for Asian women when compared with women in other groups. Overall, the poverty rate for Asians/Pacific Islanders is near that for whites (in the 11-12% range).

* *Native Americans.* Useful data on Native Americans are sparse. However, the data that are available show that Native Americans have low rates of labor force participation, high rates of unemployment and low earnings. Among the demographic groups Native American women have the lowest rates of labor force participation.

These findings highlight the principal areas where problems exist for the demographic groups. The next chapter looks at the major sources of the problems and point to potential areas of action to address them.

III. SOURCES OF LABOR MARKET DIFFICULTIES FACING GROUPS IN THE DIVERSE POPULATION

This Chapter examines the reasons for differences in the experiences of the groups and for changes over time from the perspective of public policy needs -- especially needs in the fields of education and employment and training.

The discussion is organized into four subject areas:

- Human Capital
- Social Psychology
- Geographic Location
- Discrimination

In considering the groups and the sources of their labor market difficulties, it is important to remember that both native born and immigrant persons are involved. Although presently the largest numbers of immigrants are Asians and Hispanics, immigrants are found in all race/ethnic groups. Immigrants are likely to differ from native-born members of the same group on several dimensions -- English language proficiency, education, work experience, and occupational skills, for example. Furthermore, immigrants come to the United States for a number of reasons. Some come for economic gain; others come to join their families; and still others come to escape political repression. These reasons are not mutually exclusive, and many immigrants may come for more than one reason. Finally, immigration patterns have changed markedly over time, both as a result of U.S. policies, and the desires of various groups to come to the United States.

For these reasons, it is difficult, if not impossible, to generalize about the characteristics of various immigrant groups. Not only must one distinguish immigrants from native-born members of ethnic groups, one must take into account that the characteristics have changed over time. Some of the differences between immigrants and other members of the groups were discussed in Chapter II above (the economic dimensions of diversity). In this section, additional information is presented on the characteristics of immigrants.

An important issue regarding immigrants is the extent to which they assimilate into the American economy. Some researchers have concluded that immigrants initially earn less than their native-born counterparts, but that they achieve earnings equality within 11 to 15 years.[1] These studies generally are based on cross-section data (usually census data or

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1 See Barry R. Chiswick, "Immigrant Earnings Patterns by Sex, Race, and Ethnic Groupings," Monthly Labor Review, Volume 103, Number 10, October 1980; Barry R. Chiswick (1978), "The Effects of Amercanization on Foreign-born Men," Journal of Political Economy. Volume 86, October 1978; and Ellen Sehgal (1985), "Foreign Born in the U.S. Labor Market: the Results of a Special Survey." Monthly Labor Review, Volume 108, Number 7, July 1985.

Current Population Survey data) where earnings of immigrants with different periods of residence in the United States are compared at a single point in time. This methodology has been criticized on the grounds that if the labor market skills of earlier immigrants are higher than those of more recent immigrants, then the catching up that is observed might be an artifact.[2] There is evidence that on some measures average skill levels of immigrants have declined in recent years, but other researchers have concluded that the proportion of high-skill immigrants has increased as well.[3]

Although there is yet no consensus on how the labor market characteristics of immigrants have changed over recent decades or on how well immigrants fare after their arrival in the United States, it is clear that immigrants come from varied backgrounds and it is unwise to consider them as being homogeneous.[4] Thus, there is significant diversity among immigrants as well as between immigrants and native-born members of the groups.

Human Capital

The term "human capital" generally refers to the amount and type of skills a worker or groups of workers bring to the labor market.[5] The term includes education, training, English language proficiency, and work experience. Variations are found both within and among the race/ethnic groups as to the skills their members possess and the returns they receive for the human capital they acquire. Those persons whose skills are not well developed can expect to have difficulties in the labor market.

The importance of human capital in the current and future labor market cannot be overemphasized. In the following subsections information is presented on education/basic skills and language proficiency. It is presented in the ways that basic skills usually are discussed, i.e., mastery of the "three Rs" and educational attainment. Although data are limited on the other dimensions of human capital, such as problem-solving skills or

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2 See George J. Borjas, "Assimilation, Changes in Cohort Quality, and the Earnings of Immigrants," Journal of Labor Economics, Volume 3, October 1985.

3 For evidence on the decline in skills of immigrants, see James P. Smiht, "Hispanics and the American Dream: An Analysis of Hispanic Male Labor Market Wages 1940-1980," Final report ot the U.S. Department of Labor, 1990; and George J. Borjas, Freinds or Strangers: The Impact of Immigrants on the U.S. Economy, 1991, New York: Basic Books. For contrary arguments aee Barry R. Chiswick, "Review of Friends or Strangers," Journal of Economic Literature, Volume 29, June 1991.

4 Perhaps the most well-known example of how the characteristics of immigrants from a single country have changed over time is Cuba. The early immigrants were generally from the middle and upper classes, while the Mariel boatlift Cubans included criminals and mental patients. See David Card, "The Impact of the Mariel Boatlift on the Miami Labor Market," Industrial and Labor Relations Review, Volume 43, Number 1, January 1990.

5 The pioneering work in human capital was carried out by Mincer, "Investment in Human Capital and Personal Income Distribution," Journal of Political Economy, Volume 66, 1985; Theodore W. Schultz, 1963, The Economic Value of Education, New York: Columbia Univ. Press; and Gary S. Becker, 1964, Human Capital: A Theoretical Analysis with Special Reference to Education, New York: Columbia Univ. Press for National Bureau of Economic Research. The term human capital is sometimes used to include other types of investments in workers such as migration and health.

communications ability, to omit these "other dimensions" would be misleading.

While it is necessary for one to have mastered the "three Rs" and have at least rudimentary language skills in order to get any kind of a job, more is necessary to succeed. Workers with only rudimentary skills will be consigned to low-skilled jobs with poor pay and with little hope of advancement.

There is a general societal interest in upgrading the skills of the labor force, especially those of the younger entrants. Upgrading the skills of the workers will help our economy to remain competitive in the global market, it will help to reduce the growing inequality in incomes and to maintain and perhaps increase the standard of living.

There is growing agreement that the contemporary workplace requires different (and more) skills than the workplace of only a few years ago. The "three Rs" are necessary as the base on which the other skills are developed. One study listed 13 competencies necessary for the modern workplace: initiative, cooperation, ability to work in groups, peer training, evaluation, communication, reasoning, problem solving, decisionmaking, obtaining and using information, planning, capacity to learn, and multicultural skills.

This list of competencies reflects the needs of a rapidly reorganizing workplace for the production of both goods and services -- a workplace where greater emphasis is being placed on production through team efforts, flexibility, and response to consumer tastes and choice in terms of products and/or services.[6]

Education/Basic Skills

Education is fundamental to the development of the workplace competencies just discussed. Education and knowledge are important to the functioning of the overall economy, and they are vital to the success of the individual worker in the economy.[7]

The usual way of assessing the educational accomplishment-level of an individual or group is to look at "educational attainment," that is the number of years of schooling completed. That is the topic on which the most data are available. Most of what follows in this subsection presents data on the groups' educational attainment. However, data on educational attainment do not provide information on knowledge gained or competencies developed. Before

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6 Russell Rumberger and Henry Levin, "Schooling for the Modern Workplace," in Investing in People, Volume I, Background Papers for Report of the Commission on Workforce Quality and Labor Market Efficiency, 1989, Washington, DC: U.S. Department of Labor. See also, Anthony Carnivale, America and the New Economy, 1991, American Society for Training and Development and U.S. Department of Labor and Robert B. Reich, The Work of Nations, 1991, New York: Knopf. The recently released report of the Secretary's Commission on Achieving Necessary Skills (SCANS) (chaired by former Secretary Bill Brock), What Work Requires of Schools, makes the same point. Washington, DC: U.S. Department of Labor.

7 Several recent reports of the National Commission for Employment Policy have been concerned with this issue; see, for example, Computers in the Workplace: Selected Issues, Report No. 19, 1986; Another Ounce of Prevention: Education and Employment Interventions for 9 to 15 Year Olds, Report No. 23, 1988; and U.S. Employment in an International Economy, Report No. 24, 1988; Washington, DC: The Commission.

beginning the discussion of educational attainment it is useful to review briefly recent research that was designed to appraise what was learned during the schooling experience.

Measures of Literacy. An effort was launched during the past decade to measure the skills and competencies developed during the schooling process. Called the National Assessment of Eduactional Progress (NAEP),[8] this project is developing profiles of the skills of students at elementary and secondary school levels, and of young adults (21-25) beginning their working careers.

Data published in 1986[9] provided profiles of the literacy of young adults on three scales: prose literacy, document literacy, and quantitative literacy.

- Prose literacy refers to the knowledge and skills needed to understand and use information in textual material. A mid-level performance might involve writing a letter to explain an error in a bill that the writer had received.

- Document literacy involves the proficiency in using documents for purposes of obtaining needed information. A mid-level example might be locating the amount withheld for state income taxes on a pay stub. Understanding and using a week-end public transit bus schedule is a somewhat more complex activity.

- Quantitative literacy involves the ability to use mathematical operations to solve problems that might be present in printed materials. An example of a mid-level operation might be computing the tip for a lunch check. A more complex example is making the computations necessary to estimate the least costly product from the shelf information in a supermarket.

The examples are ordinary but they do provide clues to the kinds of abilities mentioned in the workplace competencies above.

NAEP's studies indicate that there is not a general illiteracy problem as the term is commonly used. On the prose literacy scale employed (0 to 500) substantial percentages of all groups performed at least at the 200 level which is sufficient to perform relatively simple tasks. Data show that 86% of blacks, 94% of Hispanics, and 96% of whites perform at the 200 level.[10] Data were not provided for other demographic groups.

The data suggest that the problem of deficiencies in literacy emerges when more complex operations are involved. At the 325 level on the proficiency scale, the numbers seem to be related directly to the amount of time the person has spent in school. Among those with eight or fewer years in school

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8 Conducted for the U.S. Department of Education by the Educational Testing Servie, Princeton, NJ.

9 Irwin S. Kirsch and Ann Jungeblut, Literacy: Profiles of America's Young Adults, National Assessment of Educational Progress, 1986, Princeton, NJ: Educational Testing Service.

10 Summarized in Paul E. Barton and Irwin S. Kirsch, Workplace Competencies: The Need to Improve Literacy and Employment Readiness, Policy Perspectives Series, 1990, Washington, DC: Office of Educational Research and Improvement, U.S. Department of Education.

there were none at the 325 level. Among high school dropouts, 10%; among high school graduates, 27%; and among those with a postsecondary degree, 63%.[11] The general relationship among blacks, Hispanics, and whites is maintained throughout the range: whites have the highest scores, blacks the lowest, and Hispanics are in between.

Educational Attainment. There are substantial differences in educational attainment within, as well as among, demographic groups. Overall, in terms of educational attainment, the available data show that Asians generally have the highest level of attainment, followed by whites, blacks, Hispanics, and Native Americans. Except for the Chinese, the educational attainment of the foreign-born Asians is higher than that of native-born men. Foreign-born women, again except for Chinese, have higher levels of attainment than native-born women for whom data are available. See Appendix Tables A-15 and A-16.

These referenced data are based on the 1980 Census. The large number of immigrants from Southeast Asia, arriving since the Viet Nam war have changed the mix considerably. Arrivees during the 1980s[12] from Cambodia, Laos, and Viet Nam appear to have less developed workplace skills, and partly as a result, are experiencing more difficulties in the U.S. labor market.[13] Data from the 1990 Census will provide additional information on the status of these groups.

When compared with Asians and non-Hispanic whites, Hispanics and blacks are less well educated. Smaller percentages of blacks and Hispanics have completed high school and college than have either Asians or whites.

In terms of years of elementary and secondary schooling completed, the gap between blacks and whites is closing rapidly. By 1988, the median years of schooling completed by whites was 12.9 and for blacks it was 12.7; between 1980 and 1988, the percentage of black high school graduates, age 25 to 34 increased from 75 to 80% and for whites the percentage remained constant at 87%.[14] There was not a corresponding growth in the percentage of black college graduates (as compared to high school graduates) during the same period; In 1980, almost 18% of whites had four or more years of college as compared with about 8% of blacks. In 1988, 21% of whites had completed college as compared with 11% of blacks.[15]

There is a paucity of information on within-group differences among blacks. For

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11 Barton and Kirsch, 1990.

12 The number of arrivees during the 1970s was quite small.

13 See Louise Kamikawa, 1990. The author observes that these recent immigrants and refugees have lower college enrollment rates than the national average.

14 Although the education gap between blacks and whites has narrowed, for several reasons one should not be too sanguine regarding black educational credentials. First, in many large central cities dropout rates for black youth approach 50 percent. Second, the quality of education attained by blacks may not be equal to that obtained by whites because blacks more often live in areas with poor school systems.

15 U.S. Bureau of the Census, The Black Population in the United States: March 1988, Current Population Reports - Population Characteristics, Series P-20, No. 442, 1989, p.6 and Table 1.

example, data are not available to compare the educational attainment of the foreign-born black population with the native-born. This foreign-born population includes among others: Ethiopians, Somalis, Jamaicans, Haitians, and Dominicans.

Another difficulty with the data concerning the black population is the scarcity of readily-available data on the educational attainment of urban, suburban, and rural blacks. While national data suggest that the educational attainment gap between blacks and whites is closing, information on the "underclass" suggests a significant, if not growing, high school drop-out rate among inner city black youth.

Three points should be made about Hispanic educational attainment. First, overall the Hispanic population has a lower level of educational attainment than the total population. But, there are substantial variations among the several subgroups; persons of Central and South American origin have the highest levels of attainment followed by persons of Cuban origin (this may change when full reports are available from the 1990 Census due to changes in the composition of Central American immigrants over the past decade). Mexican Americans have the lowest level and Puerto Ricans are in the middle.

Second, steady progress in educational attainment has been made by the Hispanic groups between the early 1970s and the mid-1980s; between 1974 and 1986 the Hispanic population as a whole increased its level of educational attainment by three-quarters of a year. Puerto Ricans made the largest gain increasing their level by 1.28 years.[16] Puerto Rican's improving level of educational attainment, on the one hand, and their low level of labor force participation, on the other hand, are difficult to explain. One would expect that labor force participation would increase as the level of education increases, but that pattern does not hold for the Puerto Ricans.

Third, educational attainment data for the Hispanic population may be skewed to a degree because of a continuing stream of young male Mexican immigrants who have less education than persons who immigrated earlier or who are native born. For example, one study found that 60% of immigrants have less than a high school diploma, whereas among the native born the percentage of those without a high school diploma is less than 50%.[17] (Data on Hispanic educational attainment are presented in Appendix Table A-17.)

Researchers have analyzed the relationship between increased education and income for Hispanic and black male workers as compared to non-Hispanic whites. Their work[18] supports the proposition that education pays. (Data for black workers are available as far back as 1940, but such data go back only to the 1970s for Hispanic workers.) The data show that in 1940, an additional year of education resulted in a five percent increase in income for whites over blacks. But as time progressed, and as levels of black education increased, the rate of return to education for

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16 Smith, 1990, Table 3.1.

17 Georges Vernez and David Ronfeldt, 'The Current Situation in Mexican Immigration,' Science, Volume 251, March 1991.

18 James P. Smith and Finis Welch, "Black Economic Progress after Myrdal, "in Journal of Economic Literature, Volume 27, June 1989; and Smith, 1990.

blacks increased and exceeded that for whites.[19] This trend became most pronounced for black workers during the 1960s. (While there is no debate about the value of increased skills resulting from education, the sharp increases in black earnings have triggered discussion of the role of the vigorous enforcement of the federal civil rights laws during the 1960s.)[20] The higher rates of return to education for blacks does not mean that blacks earn the same or more than whites with the same educational attainment. In fact, in 1980 black men in various age categories earned between 65% and 89% of white men with the same educational attainment, with the youngest blacks having the smallest wage gap.[21]

Workers with better levels of educational attainment have access to better jobs (with higher status, pay, and benefits), and are subject to fewer layoffs.[22] A few numbers will illustrate this point. In 1987, 66% of men and 57% of women with four or more years of college were employed as managers or professionals; only 3.3% of men and 2.2% of women with less than four years of high school were so employed. Among those with less than four years of high school, 32% of men and 37% of women were employed as operatives and fabricators.[23]

Across all groups and including both men and women, those workers with the lowest educational attainment have the highest unemployment rates and those with the highest educational attainment have the lowest unemployment. Although there is a general payoff to education for all groups as measured by reduced unemployment, the benefits do not fall equally to all groups. For the years 1975, 1980, and 1987, black workers with one to three years of college have had higher rates of unemployment than white high school graduates. In 1987, Hispanic workers with one to three years college had an unemployment rate higher than white high school graduates. Only after Hispanic and black workers have four or more years of college do they have unemployment rates that consistently are below those for white high school graduates. See Table A-18.

The returns to education for Hispanic males do not show the same increase relative to whites as were shown for blacks. One of the explanations advanced for this difference is that much of the schooling for many Hispanics was obtained outside the United States. This schooling, especially at elementary and secondary levels, was of lower quality and was less relevant to the U.S. labor market than education obtained here.

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19 A recent analysis of longitudinal data for the high school class of 1972 found that the rate of return to college for this cohort of blacks was 13% for men and 16% for women. See Lewin/ICF. Four Years of Investment, A Lifetime of Returns: College as an Investment for Black Youth. Final Report prepared for the Commonwealth Fund, 1991, Washington, DC.

20 See Smith and Welch, 1989; see also James J. Heckman, "The Central Role of the South in Accounting for the Economic Progress of Black Americans," in Papers and Proceedings, American Economic Association, Volume 80, Number 2, 1990.

21 See Smith and Welch, 1989.

22 At least traditionally. In recent months, announcements of layoffs of middle managers and other salaried workers have become more frequent.

23 U.S. Bureau of the Census, Statistical Abstract 1988, Table 629. Similar patterns were found for blacks in a study of the high school class of 1972 by Lewin/ICF, 1991.

Indians living both on and off reservations (although on reservations in particular) have low levels of educational attainment and few marketable skills. As Ainsworth indicates:

> The education and training of Indians lag far behind averages for non-Indians. One of the basic requirements for economic success, English language capability, is lacked by many. The lack of education has limited them to jobs that require little skill or training. Moreover, low educational attainment has discouraged many from leaving the reservation because they believe they cannot effectively compete for jobs with better educated non-Indians.[24]

The homeless, persons with addiction, and persons with disabilities sometimes have needs that must be met before employability needs can be addressed. There are also indications that some members of these groups also have educational needs. About 48% of the homeless interviewed in soup kitchens and shelters by the Urban Institute in 1989 had not completed high school, and some 9% had less than an eighth grade education.[25]

With respect to persons with disabilities,[26] the issue seems to be one of access to postsecondary training and education rather than completion of secondary education. Like any other group, disabled individuals need adequate education and training in order to possess marketable skills. One study has suggested that while public elementary and secondary educational opportunities have been greatly expanded for disabled students, educational opportunities at the college level remain much more limited.[27] One survey of college and university disabled student programs concluded that "most colleges and universities today are unprepared to fully serve handicapped students."[28]

English Language Proficiency

The ability to communicate well in English is a necessity in almost all areas of potential advancement in American society -- from getting an education, to acquiring employment, to advancing in employment if a job is found. It is well known that a lack of facility in English is a difficulty for some Hispanics and Asians primarily because of the large numbers of first- and second-generation immigrants. Less well known is the fact that other groups face many of the same difficulties. These groups, such as Russian-Jewish immigrants and Haitians, are more concentrated in specific urban areas, such as New York City and Miami.

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24 Ainsworth, 1989.

25 National Commission for Employment Policy (1990).

26 Estimates of the numbers of persons with disabilities vary. A figure often used is 43 million. (See Burgdorf, 1990. Other writers decline to use a precise figure saying that the number would depend upon the definition of disability. A concept of disability based on medical impairment would yeild one figure, while one based on a socioeconomic impairment would yield a different and higher one. (See Berkowitz and Berkowitz, 1989.)

27 Berkowitz and Berkowitz, 1989.

28 Marc Leepson, "New Opportunities for the Disabled," America's Needy: Care and Cutbacks, Editorial Research Reports, 1984, Washington, DC: Congressional Quarterly Inc.

Lack of language proficiency is a challenge not only to the individuals involved but also to the institutions responsible for providing education and language instruction. The Wall Street Journal, for example, had a front page note about the inability of the New York City Board of Education to recruit and employ in sufficient numbers teachers who speak Haitian-Creole.

New York City, probably the most culturally diverse city in the nation, offers further examples. During the 1989-90 school year, the system had 117,381 students enrolled in special language instruction. Almost 95,000 were classified as of limited English proficiency; this number included 63,000 whose native language was Spanish, 9,000 who spoke Chinese, almost 6,000 whose language was Haitian Creole, about 2,600 who spoke Korean, and more than 1,000 whose language was Arabic. This required almost 4,300 language teachers and the cost for language teaching was more than $178 million. Despite the effort, 4,000 students still were not in appropriate classes.[29]

A limited amount of data is available on the English language proficiency of the Asian and Hispanic populations. The information is based on analyses of the 1980 Census.[30] There is some limited variation among Hispanic subgroups in their English speaking ability. About 60% say they either "speak English only or speak English very well," while about 6% report that they do not speak any English. See Table A-19.

There is considerably more variation among Asian groups. Only about 22% of Vietnamese and 32% of Koreans say that they speak only English or speak English very well. About 80% of Japanese and Asian Indians, indicate that they speak English only or "very well." Less than one percent of Filipinos, Indians, and Japanese report that they speak no English at all. See Tables A-20 and 21.

Immigrants arrive in this country with differing abilities in the English language and may experience difficulty in learning the new language. This does not, however, appear to extend to their offspring born in the United States. Hispanics who are born in the U.S. are much more likely to speak English than are foreign-born Hispanics.[31] The different subgroups of Hispanics have different likelihoods of speaking English at home; Hispanics of Central and South American origin are most likely to speak English at home,[32] followed by Puerto Ricans, then Cubans, and finally, Mexican-Americans.

The official data reported in the Census are the best data available, but it may be that they are misleading with respect to both educational status and language proficiency. First, the data are based on self-reporting by the respondents and a potential for bias exists because the respondents may not understand the questions fully or they may wish to portray a picture of themselves that overstates or understates their positions.

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29 Anna Stern, 1990.

30 It should be remembered that the answers to Census questions are self declarations.

31 Alejandro Portes and Ruben G. Rumbaut, Immigrant America: A Portrait, 1990, Berkeley, CA: University of California Press.

32 This observation about Hispanics of Central and South American origin may change with the results of the 1990 Census.

Second, there may have been a serious undercount of the Pacific/Asian population in the 1980 Census.[33] The 1980 Census data did not provide information that would permit analysis of the language proficiency of southeastern Asian immigrants such as Cambodians and Laotians. In fact, the number of observations for the Vietnamese was quite small -- perhaps too small to allow full confidence in the data.

Since that Census, there has been a rapidly growing population in New York City's Chinatown with immigrants from the People's Republic of China (in growing numbers since 1979, when official relations between the U.S. and that country were established). Many of the newer Chinese immigrants, from all parts of the country were less well educated and less proficient in English upon arrival than their predecessors from Taiwan and Hong Kong. Language was a dual problem for some of them. It has been reported, for example, that some of the Cantonese-speaking Chinese have had to learn Mandarin in order to "get along" in their communities in New York.[34] (As an aside, the latter point is an example of the many layers of diversity that exist.)

Further, data are not available that provide a basis for ascertaining the English language proficiency of foreign-born blacks. There is a general awareness from both observation and press accounts that sizeable numbers of blacks (for whom English is not their first language) reside in eastern American cities.

Even with the limitations of the data, it is possible to draw some tentative conclusions about the immigrant groups coming into the labor force. At least through 1980, Asians generally have with the most developed workplace skills. They come with substantial education, prepared to participate in the American economy.[35] The commitment to education appears to be passed to succeeding generations (although native-born Asian Indians do not have the same level of educational attainment as foreign-born). Hispanics do not arrive with the same high levels of education as the Asians and there is great variation in levels of educational attainment among the various Hispanic subgroups.

Social Psychology

Sociology of the Family

There are differences among the race/ethnic groups in terms of important family sociological characteristics that are important to their relative success in acquiring human capital and performing in the labor market.

In some of the groups the family is no longer fulfilling some of the traditional family roles of nurture and support -- roles that families have played historically.[36] This, of course, can lead to future labor market difficulties. A recently published report of the Department of Education

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33 Kamikawa, 1990.

34 Anna Stern, 1990.

35 Although many Asians come to the United States with high levels of educational attainment, a significant number of the most recent immigrants had little or no education. It is widely reported, for example, that many Hmongs from Laos are illiterate in their own language.

36 It is not the intention of this discussion to focus simply on what is perceived by many to be a pathology in contemporary American family life. The focus here is on issues that pose problems in preparing for, or participating in, the labor market.

examined "at-risk" factors for the students. At-risk referred to those factors that contribute to failure to achieve in school or to the likelihood of dropping out before high school completion.[37]

The six "at-risk" factors examined included: having a single parent, parents who did not have the high school diploma, limited English proficiency, low family income (less than $15,000 per year), siblings who dropped out, and being left home alone for extended periods. These at-risk factors were ascertained after detailed studies of educationally disadvantaged children. Among the race/ethnic groups, the highest percentages of students with two or more risk factors were black and Hispanic students at 37% and 41%, respectively. Whites and Asian/Pacific Islanders had the highest percentages with no risk factors: 62% and 58%, respectively.

Women and children living in single-parent families are likely to be poor, and being poor brings with it risks that will affect one's ability to acquire skills and function successfully in the labor market. The percentage of female-headed families has grown in all demographic groups, but the growth has been most pronounced among blacks. In 1940, some 18% of all black families were headed by women with 10% for whites. By 1983, black female-headed families were at 42% of the total, while 12% of white families were headed by women.

A substantial share of Hispanic families are headed by women; in 1973, the number was almost 17%, and by 1983 the percentage had grown to almost 23%. Among Hispanics, the percentage of Puerto Rican families headed by women was 44%, approximately the same proportion as that of blacks.[38]

Culture

Culture, as used here, refers to the way in which a group or a society lives and the formal and informal rules that govern that group. Culture is transmitted from one generation to the next through a number of means, but important among them is language. And within some immigrant groups and among some Native Americans, especially among the older generations, there can be resistance to change, to things that will upset the established order. Sometimes this takes the form of resistance to education and the learning of a new language for fear that the original culture will be lost.

The desire of groups to maintain their cultural identity is not a new phenomenon. The following was written about Italians

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37 U.S. Department of Education, Office of Educational Research and Improvement, A Profile of the Amercian Eighth Grader, 1990, Washington, DC: The Department. Students who were eighth graders in 1988 in theory will be ready to enter the labor market or postsecondary study in 1992.

38 For other Hispanic subgroups the figures are: Central/South American, 22%; Mexican American 19%; and Cubans, 16%. Data on white, black, and Hispanic families are from William Julius Wilson and Kathryn M. Neckerman, "Poverty and Family Structure: The Widening Gap between Evidence and Public Policy Issues," in Sheldon Danziger and Daniel H. Weinberg, Fighting Poverty: What Works and What Doesn't, 1986, Cambridge, MA: Harvard University Press. For a reexamination and reinterpretation of data on black family formation see Erol Ricketts, "The Origin of Female-headed Black Families," in Focus, Vol. 12 No.1, 1989, University of Wisconsin - Madison, Institute for Research on Poverty. Figures for Puerto Rican families are from Marta Escutia and Margarita Prieto, Hispanics in the Workforce, 1988, Washington, DC: National Council of La Raza.

living in Boston's West End 30-35 years ago:

> ... Parents are suspicious that education will estrange the children from them, and from the peer group society as well.... Although lower-class culture has innumerable problems, the basic one is occupational. It seems to produce people who can work only in unskilled jobs.... The female-based family seems to raise men who find it difficult to develop the skills and the motivations that are necessary for obtaining and holding the jobs that will be available.[39]

Most immigrants must cope with a change in culture in addition to the change in language spoken upon arrival to the United States. One study of Hispanic assimilation suggests that this may result in a "culture clash" that occurs along several dimensions: between the Hispanic culture and that of other American communities, between established Hispanic populations and new immigrants, and between older Hispanic immigrants and assimilating younger generations.[40] Experiencing a clash between one's own culture and that of another can lead to feelings of social isolation, frustration, and discouragement.

Traditional American Indian culture and values frequently diverge from those of the majority society, which can put Indians at a disadvantage in looking for employment opportunities. "Indian values and work habits often conflict with the acquisitive, competitive methods that the American private enterprise system nurtures, creating tensions with non-Indian managers. Traditional Navajo culture, for example, frowns on the accumulation of individual wealth and discourages risk-taking innovations."[41]

What some employers might perceive as a lack of motivation or an inability to perform a task "correctly" (i.e., according to "white" standards) may be the product of different cultural assumptions or backgrounds.

There are many ways in which cultural differences, large and small, can affect relationships in the labor market before or during employment. The following are examples of instances (brought out at NCEP's Conference on Training a Diverse Population) where cultural differences can lead to misunderstandings in the work place.

> In some cultures, a sense of modesty has been instilled into young women to the extent that it makes it difficult for them to have direct eye contact with interviewers, especially male interviewers. This does not fit well with the general importance that is placed on "look 'em straight in the eye" directness in this society.

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39 Herbert J. Gans, The Urban Villagers, 1962, New York: The Free Press, quoted in Ken Auletta, The Underclass, 1983, New York: Vintage Books.

40 Jorge Chapa, "Are Chicanos Assimilating?: Longitudinal Trends in Socio-Economic Attainment and Class Differences in Social-Structural Assimilation of Third and Third-Plus Generation Chicanos," 1989. Paper presented to the American Sociological Association, San Francisco, CA.

41 Tom Arrandale, "American Indian Economic Development," in Editorial Research Reports, America's Needy: Care and Cutbacks, 1984, Washington, D.C.: Congressional Quarterly Inc.

> Another example is concerned with the sense of family and family closeness: a manager was faced with an employee who wanted to take a trip out of the country to attend the funeral of a cousin. This did not meet the employer's guidelines for funeral leave. The company leave policy granted leave for funerals of "close" relatives such as spouses, children, parents, siblings, and grandparents. In the culture of the employee in question, a cousin is a close relative and is owed the honor of attendance at the funeral.

Emotional Trauma

Although there is little direct evidence, it seems reasonable to expect that emotional trauma affects the ability of many persons to acquire human capital and to function effectively in an employment setting. Both immigrants and native-born members of all race/ethnic groups are subject to traumatizing experiences.

Moving into and becoming part of a new culture can have deep psychological effects on immigrants, part of the "culture clash" described earlier. The following describes the dimensions of this issue:

> Migration can produce profound psychological distress, even among the best prepared and most motivated and even under the most receptive of circumstances. Acculturation is not a simple solution to the traumas of immigration because it can itself be a traumatic process. Among lower class immigrants, premature acculturation may lead to a higher incidence of mental illness and drug dependence as they lose their sense of identity and social controls while being exposed to new mores.... Countries such as America which encourage rapid assimilation report higher psychiatric hospitalization rates than those which accept or encourage ties to the original culture.[42]

While the process of assimilating to a new culture may produce its own trauma, some immigrants arrive with scars that may be difficult to erase. For example, a psycho-social survey conducted at Bell Multicultural High School (Washington, D. C.) in 1987 found that 35% of the Central American immigrant students were "unaccompanied minors;" they had immigrated to this country at the age of 15 or 16, completely on their own. Also, 81% of the youths had been exposed to or had witnessed a family member at risk of one of the following: violent death, violent attack, rape, interrogation, imprisonment, or torture. This places the children at high risk of having emotional adjustment difficulties, resulting in poor performance in school and later problems in the labor market.[43]

Similar experiences of Indochinese refugees in San Diego County, California, are detailed in Table 3.1.

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42 Anna Stern, 1990.

43 Maria Tukeva, Providing Education and Training Services to a Diverse Population, paper prepared for NCEP Conference on Training a Diverse Population, 1990.

Table 3.1.
Stressful Life Events in the Post-1975 Migration of Indochinese Refugees Resettled in San Diego County

Event	Hmong (N = 109)(%)	Cambodian (N = 120)(%)	Chinese (N = 114)(%)	Vietnamese (N = 157)(%)	Total (N = 500)(%)
Reported death of family members	59.6	65.8	32.5	39.5	48.6
Family member in prison in homeland	11.9	5.5	13.6	42.0	20.2
Fled alone, without immediate family	19.3	29.2	11.4	13.4	18.0
Gave bribes to exit	21.3	19.3	71.7	32.7	35.9
Assaulted in escape	25.7	25.2	36.8	30.6	29.6
Feared would be killed during escape	92.7	80.7	73.7	73.2	79.4
Spent over 2 years in refugee camps	72.6	75.9	29.3	22.1	47.7
Cannot communicate with family left behind (unknown whereabouts)	18.4	76.3	16.1	41.0	26.5

Source: Portes and Rumbaut, 1990.

Almost two-thirds of the Hmongs and Cambodians had lost family members in the events that lead to their leaving. A quarter or more of all the groups had been the victims of assault during escape. Most feared that their lives would be lost in the process of escape. And appreciable numbers were isolated totally from their families (the whereabouts of the families were unknown).

Because of this extremely difficult transition period, many recent immigrants suffer from debilitating emotional problems. For this reason, the provision of mental health services targeted at the immigrant population and its specific needs would be a very valuable resource in helping immigrants become self-sufficient in the U.S.[44]

Some native-born Americans are not immune to the kind of trauma being discussed. Many inner city areas are marked by a pervasive violence stemming from the presence of drug markets, gangs, and groups of vulnerable, homeless people. The images of frightened, protective mothers escorting their children to and from school tell the story more powerfully than can any statistics. The groups most likely to live in this type of environment are discussed in the next section.

Geographic Location

Although growth of diversity within the population is a national issue, it is not a nationwide problem that is spread evenly around the country.

[44] For a complete discussion of immigrants and mental health, see Portes and Rumbaut, 1990.

The race/ethnic groups are concentrated in a few states and these population groups are further concentrated in a small number of urban areas. The groups have somewhat differing patterns of concentration:

- About three-fifths of the Hispanics are in the states of California and Texas. If Florida and New York are added, about three quarters of this population are accounted for.

  There is some locational variation among Hispanic subgroups. About a third of the Puerto Rican population on the mainland is located in New York, about 12% in each of the States of Florida and New Jersey, and almost 11% in California. Almost 55% of the Cuban population can be found in Florida, with concentrations of just under 10% in California and New Jersey.[45]

- The Asian population is almost as concentrated geographically as Hispanics. About 60% of Asian/Pacific Islanders are in five states, Alaska, California, Hawaii, New York, and Washington. The largest concentrations of Chinese, Filipinos, Japanese, Koreans, and Vietnamese are in California. Almost 40% Asians lived in that state.[46]

- American blacks are somewhat more dispersed geographically. Slightly more than half (about 53%) reside in the southern region of the U.S. The remainder are in the Northeast (about 18%), the north Central States (about 18%), and, to a lesser extent, on the West Coast (about 9%).

Particular groups comprise sizeable fractions of total population in some states. For example, in Mississippi blacks are about 36% of the population, and in Louisiana and South Carolina they are around 30%.[47] Hispanics are 38% of the population in New Mexico and 26% in California and Texas.[48]

In addition to the state-regional concentrations, the various groups are largely concentrated in urban areas. (Native Americans living on reservations are an obvious exception.) More than half of all blacks (about 57%) live in inner cities.[49] Ninety-two % of Hispanics are in urban areas;[50] Asians/Pacific Islanders are almost totally an urban population. Of the five Asian groups for which statistics are available, the smallest urban concentration is among Filipinos at 93%.[51]

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45 U.S. Bureau of the Census, The Hispanic Population in the United States, Current Population Reports, Series P-20, No. 431, 1988.

46 Preliminary 1990 U.S. Census data reported in New York Times, March 11, 1991, page 1.

47 In the District of Columbia, which is classified with the states in Census listing, blacks are 66% of the population. Preliminary 1990 Census data, reported in the New York Times, March 11, 1991.

48 New York Times, March 11, 1991.

49 Gerald D. Jaynes and Robin M. Williams (eds.) A Common Destiny: Blacks and American Society, 1989, Washington, DC: National Academy Press.

50 U.S. Bureau of the Census, 1988; see also, National Commission for Employment Policy, Hispanics and Jobs: Barriers to Progress Special Report No. 14., 1982, Washington, D.C. : The Commission.

51 U.S. Commission on Civil Rights, 1988.

Additionally, changes in local area demographics take place very rapidly -- often more rapidly than can be recorded by the decennial U.S. Census of Population. Such population changes often require shifts in program strategies and redeployment of resources. For example, for many years, the Watts area in South Central Los Angeles has been a symbol of the black ghetto because of the urban riots of the late 1960s. By now, however, about half of the population of Watts is Hispanic.

A more dramatic illustration of rapid local change is found in ZIP Code 11226 which covers most of the Flatbush section of Brooklyn, New York. Between 1983 and 1987, some 17,700 immigrants settled in the area. While slightly more than half of the new residents were from Haiti and Jamaica, the others came from more than 20 other countries from around the world. At that time, the school district serving Flatbush had some 1,500 students who needed and were entitled to bilingual classes or English as a Second Language (ESL) programs.[52]

The relationship between geographic concentration of the race/ethnic groups and their economic status is complex. At least three of the elements of economic diversity discussed in Chapter II and this chapter appear related closely to geographic location.

One aspect of the relationship between geographic concentration and economic success was mentioned earlier in the report. A direct labor market effect stems from the shift of manufacturing -- and manufacturing jobs -- away from central cities, especially in the Midwest and Northeast, the "Rustbelt," to other regions of the nation and other parts of the world or have simply disappeared. The movement of these jobs away from the cities has resulted in a loss of employment opportunities for persons with relatively little education and low skills. This exodus of manufacturing jobs has affected blacks and Hispanics; the availability of such jobs was a major attraction of the Midwestern and Northeastern cities for immigrants and blacks migrating from the South. Good jobs in the service sector (which replaced the manufacturing sector as a source of jobs) and in restructured manufacturing operations have educational requirements that put them beyond the reach of many inner city blacks, Hispanics, and recent immigrants.

A recently published analysis of data for large cities for the period 1970-1981 contained in the publication County Business Patterns (U.S. Department of Commerce), showed:

- a substantial loss of entry level jobs, that is, jobs requiring a high school diploma or less,
- a moderate gain in moderate skill jobs, that is, those jobs requiring high school and some postsecondary education, and
- a sizeable increase in high skill jobs, that is, jobs requiring a bachelor's degree or higher level of education.[53]

To the extent that the traditional low-skill manufacturing and service sector jobs have moved abroad or disappeared, appropriate

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52 Anna Stern, 1990, and, Michael Spector, "Brooklyn's Accent Takes on Caribbean Lilt," Washington Post, January 28, 1991.

53 Thomas A. Clark, "Urban Schools and the Changing Labor Market" in The Urban Review, Volume 21, Number 4, 1989.

employment and training policies call for providing the education and training required for the jobs that are available. It has been hypothesized that to some extent those jobs that remain are inaccessible to race/ethnic groups who live in central cities because the appropriate jobs are now located in suburban areas. This "spatial mismatch hypothesis" has received some support in recent studies, but the magnitude of the effects is unclear.[54]

A second and somewhat less direct labor market effect of geographic location relates to groups' education. As indicated above, both blacks and Hispanics have lower educational qualifications than Asians or whites. Blacks on a national basis have largely closed the gap between themselves and whites in terms of years of education attained. However, the dropout rate continues to be high for inner city blacks with estimates for the largest cities running on the order of 50%. Additionally, by most measures blacks consistently perform more poorly than whites in mathematics and science.[55]

The quality of inner city education has been widely criticized by employers, community leaders, parents, and educators themselves. Schools that serve poor students in the inner city frequently have very limited resources. One example from the Chicago schools: the schools that minority children attended were not only racially isolated, but also predominately poor. In a chemistry class in a predominately black high school, the periodic table used (in 1988) was published in 1962 and thus was missing six elements that had been discovered since that date. The chemistry lab also was lacking beakers, distillation equipment, and other basic supplies.[56]

Finally, concentrations of members of particular groups in particular locations may result in increased discrimination against these groups by employers.[57] A study of Mexican-American earnings in the Southwest suggested that the concentration of Mexican-Americans in that region supports the basic model of discrimination -- discrimination that takes the form of wage disparities between Mexican-Americans and non-Hispanic whites.[58] The study also noted differences (between Hispanics and non-Hispanic whites) in human capital that may reflect the presence of a sizeable proportion of recent immigrants. Another recent study found that the differences in unemployment between Mexicans and non-Hispanic whites could all be accounted for by the lower levels of educational attainment among Mexicans, but that there

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54 See Harry J. Holzer, "The Spatial Mismatch Hypothesis: What Has the Evidence Shown?" Urban Studies Volume 28, Number 1, 1991. Holzer concludes that there is reasonable support for the spatial mismatch hypothesis but the magnitude of the effects is unknown. In another recent study, Ronald D'Amico finds modest support for the spatial mismatch hypothesis, but concludes that other factors are more important. See Ronald D'Amico, 1989.

55 Hirsch and Jungeblut, 1986.

56 Kenneth Wong, Training a Diverse Population in Chicago, prepared for NCEP Conference on Training a Diverse Population, 1990. Wong's information for this was based on reporting in the Chicago Tribune.

57 Discrimination is discussed in more detail in the next section of this chapter.

58 Alberto Davila, "Do Mexican Americans Earn Less in the U.S. Southwest?" Paper prepared for Western Economics Association International Annual Conference, 1990.

is a large unexplained difference for blacks.[59]

The labor market experiences of Native Americans are also affected by their location. American Indians who live in metropolitan areas tend to fare better than those who live in rural areas or on reservations.[60] On average, Indians in non-metropolitan areas earn only 81% of the incomes of their metropolitan counterparts.[61] It was observed:

> the combination of a better-prepared labor force and better opportunities in metropolitan areas rather than one component alone that is most important in explaining metro-nonmetro earnings differentials among Indian householders. Conversely, the lack of opportunities in non-metro labor markets along with a labor force lacking capital resources combine to depress the mean earnings of nonmetro Indians.[62]

Discrimination

Discrimination is recognized as having an important impact on labor market outcomes for minorities and women. However, economists and other social scientists have had great difficulty assessing precisely its impact on earnings and employment. One economic theory assumes that some employers, workers, and unions have a "taste" for discrimination. If this theory is correct, discrimination would diminish over time as nondiscriminatory employers compete successfully in the labor market against those who discriminate.[63] [64]

There have been many efforts to estimate empirically the impact of race/ethnic and sex discrimination, but there is no consensus on how large the effects are.[65] Unlike many economic phenomena, the

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59 See D'Amico, 1989.

60 C. Matthew Snipp and Gary Sandefur, "Earnings of American Indians and Alaskan Natives: The Effects of Residence and Migration." Institute for Research on Poverty, University of Wisconsin, Madison. Discussion Paper Number 813-86, 1986.

61 Snipp and Sandefur, 1986.

62 Snipp and Sandefur, 1986.

63 See Gary S. Becker, The Economics of Discrimination, 1957, Chicago: The University of Chicago Press, and Kenneth Arrow, "Models of Job Discrimination" in A.H. Pascal, ed., Racial Discrimination in Economic Life, 1972, Lexington, MA: Lexington Books.

64 One form of discrimination that might persist over time is "statistical discrimination." In this form of discrimination, employers discriminate against members of particular groups because they believe, correctly or not, that on average members of the group are not as productive. For example, employers might believe that women are more likely on average to quit their jobs than men. If so, employers might discriminate against women or attempt to pay them less to account for this added risk. See Dennis J. Aigner and Glen G. Cain, "Statistical Theories of Discrimination in the Labor Market." Industrial and Labor Relations Review, Volume 30, 1977.

65 For surveys of the literature, see Glen G. Cain, "The Economic Analysis of Labor Market Discrimination: A Survey" in Orley C. Ashenfelter and Richard Layard, eds. Handbook of Labor Economics, 1986, New York: North Holland; and F. Ray Marshall, "The Economics of Racial Discrimination: A Survey." Journal of Economic Literature, Volume 12, 1974.

effects of discrimination must be estimated indirectly. Analysts estimate discrimination statistically through a process of elimination. Various factors such as education, English language proficiency, and other forms of human capital are first examined. When groups are equal, or roughly so, and a disparity remains either in the kind of job offered or in wages paid for similar jobs, this disparity is attributed to "discrimination." The problem with this approach is that one rarely if ever can control for all the relevant factors that determine earnings. Thus, the range of estimated discrimination impacts is quite large. A recent survey of the literature found that black males may earn between 10 and 40% less than white males because of discrimination.[66]

The U.S. Commission on Civil Rights[67] examined the economic and employment status of black women as compared with white women over the period since 1940. It concluded that the gap between black women and white women has largely been closed in terms of earnings and occupational distribution. The report did not address the question of the income gap between men and women.

Despite the improvement in the labor market status of black women workers, they – and their families – have not achieved economic (or social) parity with white women. This is attributed largely to the lower status and earning power of black men. Black women workers frequently either are not married and are raising children alone on a single income or are married to men who earn less and have less economic stability than they (the women) do.

For Hispanics, one study found that "their lower level of education was the single most important reason for the lower wages they received compared to non-Hispanic whites" and that "differences in language fluency, time in the United States, work experience, race, age, armed forces experience, health, and government employment were also sources of wage differentials."[68] However, the author found that even after controlling for all of these factors, a wage gap still remained, which is attributed to discrimination.

There is some evidence that discrimination is a factor in the earnings level of Hispanics in the Southwest. Wage levels for that part of the nation are somewhat below the national average. However, after accounting for various factors such as somewhat lower living costs, the desirability of the area, and the like, the wage differences between Anglo and Hispanic workers are somewhat higher than would be expected despite any differences in human capital. This suggests the presence of discrimination.[69]

The extent of discrimination varies according to Hispanic origin. Compared with whites with the same characteristics, the wage differentials due to discrimination were as follows: Central and South American men, 36%; Mexican-American men, 6%; Puerto Rican men, 18%. Interestingly, Hispanics of Cuban origin

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66 Cain, 1986.

67 U.S. Commission on Civil Rights, 1990.

68 Cordelia Reimers, "Labor Market Discrimination Against Hispanic and Black Men," Review of Economics and Statistics, Volume 65, 1983.

69 Davila, 1990.

fared the best of all subgroups, with the discrimination wage gap actually being 6% in their favor. One explanation for this may be that "Cubans who immigrated to the U.S. before 1970 formed and maintained their own economic and institutional structure within a small geographic area."[70]

Other studies have examined wage issues in terms of location versus discrimination. In the cases of Hispanics in the Southwest and inner city black males, they conclude that part of the wage differences for those groups that seem to be the result of location could also be one of the remaining effects of discrimination.[71]

Although persons with disabilities may experience discrimination, little research has been done undertaken to document its extent and nature. Their labor force participation and employment may be limited not only by prejudices against particular kinds of disabilities, but also by lack of physical access to places of work. There is a long history of various efforts to increase the labor force participation of disabled persons.[72] The Americans with Disabilities Act (ADA), passed in 1990, addresses the problem directly. The ADA prohibits discrimination for employers of 15 or more persons, establishes guidelines for qualifications standards and medical screening, and requires that new commercial buildings be accessible.[73] [74]

Almost all of the race/ethnic groups in the diverse population have experienced some degree of discrimination at one time or another. The degree to which discrimination still plays a role in the labor market experience of women and minorities continues to be a matter of research activity among analysts. The extent to which members of the groups are currently paying a price (in the labor market) in terms of present discrimination or past discrimination opens a host of questions that can not be answered fully at this time.

For instance, earlier in this century Asians were discriminated against to the extent that their immigration to this country was forbidden for a period of time. Japanese Americans were interned for a period during World War II. Currently, however, Asians are considered by many to be a "model minority." However, Asians on the West Coast presently are subject to another kind of limitation. Ceilings are being established for the numbers of Asian students that can be admitted to more desirable colleges and universities.[75] This is a type of "different treatment" that could put limits on the futures of some of these young people.

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70 Davila, 1990, and Alejandro Portes and Robert Bach, Latin Journey, 1985, Berkeley, CA: The University of California Press, for a discussion of how economic enclaves contribute to the economic success of Hispanic immigrants.

71 See D'Amico, 1989, and Davila, 1990.

72 This history is reviewed in Berkowitz and Berkowitz, 1989.

73 Burgdorf, 1990.

74 In September 1990, the NCEP conducted two hearings and made site visits in Rhode Island and Vermont on the issue of overcoming employment barriers experienced by individuals with disabilities. The witnesses discussed many reasons for the employment difficulties of the disabled; prominent among the reasons were ignorance and misunderstanding on the part of well-intentioned, but poorly informed employers and workers.

75 See Louise Kamikawa, 1990.

One of the most controversial issues in the literature is whether and to what extent discrimination contributes currently to black poverty. Authorities do not agree on the answer to these questions. One school of thought argues that race has ceased to be a significant factor in the determination of individual success. Racism during and after the antebellum years forced blacks into disadvantaged situations; however, class is the determinant that currently keeps impoverished people, black or other, from realizing social success.

Another position, while not disputing the existence of discrimination, maintains that it is not the sole determinant of the lack of success of any given ethnic group. It is suggested that, "discrimination has been pervasive, but not pervasively effective."[76] This position is based on the fact that with the same or a greater degree of discrimination against them, Italians have done better economically than the Irish in America; and likewise, the Japanese have done much better than Puerto Ricans, although experiencing more discrimination.

At the NCEP's Conference on Training a Diverse Population, one view expressed was that in considering this topic, one should take an historical perspective. Little progress has been made in integrating "subjugated and conquered" groups into American society. The society has done a very good job of absorbing many generations of immigrants, but little progress had been made in bringing Native Americans and blacks into partnership. For example, the occupational projections for the next 10 years seem to indicate no narrowing of the differences between blacks and whites. The question suggested by this point of view is, "how to deal with those groups in our society that we at one time declared inferior... how do we address that?"

This statement precipitated a great deal of discussion at the conference. There was agreement that immigrants of European descent had managed to become assimilated and that immigrants who look different (from those of European descent) had a more difficult time than others. There was further agreement that the elimination of discrimination had to remain a goal and that hard work and getting an education were key to the strategies to assimilate these groups into the economy. There was one caveat, however, and that was that the issue should not be framed in such a way as to pit native-born workers against immigrants.

There are employers who are taking explicit steps to incorporate racially and culturally diverse workers (including those from the "subjugated and conquered" groups) into their workforces. In addition to hiring workers from the diverse population, employers are designating managers and trainers whose principal duties involve insuring the full utilization of such workers in their companies. Their duties may include training activities to increase sensitivity about multiracial and multicultural workforces. Some examples were given at the beginning of this report. Others include national-level companies from financial services, health maintenance, and food products and services industries.[77]

Conclusion

The previous Chapter reviewed the status of the various groups in the labor market.

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[76] Thomas Sowell, The Economics and Politics of Race: An International Perspective, 1983, New York: William Morrow and Company.

[77] NCEP Conference on Training a Diverse Population, 1990.

This Chapter has examined the sources of the diversity of their experiences; these sources include human capital, sociological diversity, discrimination, and geographic location. Among the major findings are the following:

- The groups vary among and within themselves as to the human capital their member possess, in terms of both their educational levels and English language proficiency. Lack of language proficiency is acute among some immigrant groups.

- The groups vary among themselves along several sociocultural dimensions -- growth of the female-headed single parent family is one important dimension. Also, some members of immigrant groups are stressed to the point where they might be described as suffering trauma, which can affect their ability to function in the labor market.

- The groups' patterns of geographic concentration demonstrate that while diversity is a national issue, it is not a nationwide problem. The groups' geographic distribution is important because of variations in opportunities (for employment) that exist in different locations. Some analysts have suggested that there may be a spatial mismatch, where members of many minority groups do not reside close to the jobs for which they are qualified.

- Discrimination in education and employment is still a fact of life for minorities and women. The degree to which discrimination is a controlling factor in the labor market experiences of the groups is a continuing subject of research and analysis -- and debate.

Two important conclusions from this discussion concern (1) the facts about their "among group" and "within group" variations and (2) the partial nature of the knowledge available about them. The 1980s were a decade of rapid change in the U. S. population, and the changes may have occurred more rapidly than our institutions could understand and respond to them. The 1990 Census of Population will provide much of the information needed.

These issues and other policy implications are examined in the next Chapter.

IV. POLICY IMPLICATIONS

This report began with a reference to the book, **Workforce 2000**, which forecast a number of important changes in the labor market. That book was looking ahead to changes that would occur during the decade of the 1990s and early in the next century. To a large extent, however, events have been ahead of the forecasts. It could be said without too much exaggeration that the year 2000 has already arrived.

The American economy is facing a number of challenges. The labor market is changing markedly. The supply of workers is increasing in its diversity.

Changes on the labor supply side are taking place against a backdrop of rapid change on the demand side. Work is being performed in ways that differ from the past and entrance standards are rising for persons seeking employment. Work is being reorganized in both the goods-producing and service-producing sectors so as to place more responsibility in the hands of individual workers and teams of workers. The need to be able to respond to customer needs and choice makes it necessary to move away from the closely supervised repetition of routine tasks that characterized the workplace of the recent past.

Increasingly, "good jobs" will require applicants with educational skills, i.e., a reasonable mastery of written and spoken English and mathematics. Possession of these skills provides the base for the development of the competencies necessary to perform effectively in the contemporary (and expected future) workplace.

Because of these changes, the policy issues facing education, employers, program service providers, and governments are almost intimidating. Can this changing labor supply be absorbed into the changing labor market? What are the prospects that the expected new entrants will find useful, satisfying, and rewarding jobs in the new workplace that is evolving?

Taken together, the analyses in the previous chapters point to areas of public policy and programs (in both the public and private sectors) that can assist in absorbing members of the groups into the labor force and into American society. The principal areas are: increasing human capital, expanding opportunity, helping people to adjust to this society, and reducing or eliminating discrimination. A critical element in the process of assistance is the need for more detailed, and more timely, information about the dimensions of demographic, economic, and sociocultural diversity of the nation's population.

Before discussing policy and programmatic implications it is important to observe that the United States has become a truly multicultural, multiracial nation. One writer, to borrow a phrase, has described it as the first "universal nation." If the United States is to function successfully as a multicultural, multiracial nation, the people will need to understand and respect each other, and be sensitive to their differences and similarities.

Increasing understanding and sensitivity will help to reduce stereotyping and may help in the reduction of discrimination. Conscious efforts are needed to educate people about one another. Ideally, the

family provides the first level of such education and training. The schools provide both the classroom and the laboratory for people learning to understand and appreciate their difference and similarities. Employers will need to work with their employees to provide an environment where persons of differing races and cultures can work together; this may require training in working with people from different backgrounds. Employment and training service providers will need to insure that their staffs are sensitive to the needs of persons of varying backgrounds. Churches and other community institutions, and the media, can play constructive roles in this process.

Increasing Human Capital

The growing importance of human capital, including education and English language proficiency, is widely recognized. Among the race/ethnic groups, blacks and Hispanics have been shown to have lower levels of education; Hispanics have higher drop-out rates and blacks do more poorly on tests of educational competencies. High drop-out rates among Hispanics and inner city blacks figure prominently in these groups' overall standing. Asians generally have high levels of educational attainment, but information on recent immigrants is too sparse to know whether this general finding holds true for them.

Increasing the amount of education Hispanics and inner city blacks receive is an important goal. Drop-out prevention programs are useful tools. Training programs for economically disadvantaged youth, funded under the Job Training Partnership Act (JTPA), that have dropout prevention components are key in this regard. Localities with concentrations of poor black and Hispanic youth would do well to emphasize this type of youth program. For some of these youth, the programs may need to stress summer jobs so that the young people are not "forced" by financial pressures to leave school early; for other youth, the programs may need to stress educational remediation through intensive tutoring or other means.

Improving the quality of education for young people is a national issue that must be addressed at all levels: the local school; the local school board; the state boards of education; and the U.S. Department of Education. While there is evidence that steps are being taken, test scores indicate that more needs to be done. Because public sector budgets are tight, the "more" that is done will require great ingenuity and creativity. Dedication will also be necessary for it is unlikely that there are any "quick fixes."

One aspect of the quality of education issue is a need for measures of the competencies gained through schooling that are widely understood and generally accepted. Employers need to know that possession of a high school diploma signifies something concrete, that it gives a reasonable indication of the tasks that a person can accomplish. While many states have imposed minimum competency standards for high school graduation, they vary and do not have nationwide acceptance. National measures of competencies ultimately may be required.[1]

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[1] Proposals are being advanced currently for "certificates of mastery" in both academic and skill areas that could be made part of education programs. See, for example, America's Choice: high skills or low wages!, Report of the Commission on the Skills of the American Workforce (co-chaired by former Secretaries of Labor Bill Brock and Ray Marshall), 1990. The State of Oregon

Upgrading English language proficiency of workers, especially immigrants, presents a challenge to many institutions including education, employment and training, and employers. Programs of English as a Second Language and bilingual education will need expansion. Funds from several federal programs are used for language training, for example the JTPA 8% set-aside and Adult Basic Education, as well as funds from state and local sources. However, because of inadequate data collection there is little that can be said with confidence about the amount being spent, the number of persons being served, or the quality of the language training being provided.

Expanding Opportunity

Many of the obvious conclusions from this project apply to the needs of children and young people who are still in the process of preparing for work. Yet large numbers of the diverse population are young adults or prime-age adults -- persons who are beyond the normal age for school. These young adults and prime-age workers need jobs.

Some, especially within the black community, need the opportunity for work experience; others, especially within the Hispanic community, need higher paying jobs. Since the number of jobs for willing workers with "strong backs," but limited skills, is diminishing, ingenuity will be required if jobs are to be developed for them. Some native-born and foreign-born workers need jobs that provide an opportunity for educational remediation. Many immigrants need jobs where there is an opportunity to increase their ability to communicate in the English language. More experimentation with innovative uses of on-the-job-training under JTPA could provide examples of effective ways to provide these opportunities.

Meeting the multiple needs of young adults and prime age workers will require the skills and resources of several human resource systems in addition to those of the employment and training system. While many need training and jobs, they may have prior needs such as assistance with health care or housing and food. This implies that human resource systems must function in a flexible, coordinated way.

The need for coordination discussed here underscores the significance of the movement toward integrated human resource systems that is already underway. The concept of the "single point of contact" or "one-stop shopping" for human resource services is being tried in some states. In the Youth Opportunities Unlimited demonstration (being funded by the U.S. Department of Labor) employment personnel, educational counselors, health services and other similar activities are in a single service center. At the national level, an effort is underway to have the State Job Training Coordinating Councils reconstituted as Human Resource Investment Councils. This movement toward greater coordination appears to be driven in part by cost considerations. This may be a situation where issues of efficiency and effectiveness coincide. The evidence in this report about the differing needs of the race/ethnic, immigrant and native-born groups reinforces the need for improved coordination.

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in 1990 enacted legislation that will revise completely its high school program and will involve certification of mastery at various levels. The new program is to be implemented fully by the year 2010.

Assisting the Adjustment Process

Some, not all, members of the diverse population are isolated from their native cultures and are isolated from the dominant culture in this country. They include some persons who are native born and some who are immigrants. While many, if not most, members of these groups will "make it" in this society without any kind of special assistance, not all will. Support (financial and otherwise) may be required for institutions that provide such assistance.

While the categories of assistance are similar (to a greater or lesser extent) across all the groups, the groups are not alike. They vary in language, culture, and receptivity to dealing with "outsiders" and authority figures. Sensitivity to these variations is needed in both reaching and serving members of the groups. This sensitivity is needed in existing public institutions, such as schools and local governments and in established private organizations, such as churches and local service groups.

Community-based organizations (CBOs) have a special role here. Over time they have provided services to members of these groups. They have also served an advocacy function in calling attention to the needs of their constituents at local, state, and national levels.

In the past, governments and philanthropic groups have been a principal source of funding for CBOs, but their levels of commitment have been limited due to tight budgetary constraints. Appreciation for and sensitivity to the roles CBOs have played as service providers and advocates should be important in future consideration of their funding.

Reducing Discrimination

Courts and legislative bodies continue to wrestle with the issue of discrimination in the workplace. That discrimination based on race, national origin, sex, and disability continues to exist is generally recognized despite the fact that its precise effects are difficult to measure. Its reduction and ultimate elimination must remain a national goal.

Improving Population Data

During the course of the research on this project, one truism proved itself over and over. It is dangerous, and probably inaccurate, to generalize. Just as it would be inaccurate to portray all whites and Asians as well educated and prosperous, it is inaccurate to describe all blacks and Hispanics as undereducated and poor -- unprepared to participate in the labor market of the next decade. Because of the ways information about the race/ethnic groups has been organized and presented traditionally, the data tell only part of the groups' stories.

For example, in spite of the vast amount of data and research on the white and black populations, relatively little is known about the differences between the immigrants and the native born in these groups.

Changes in the demographics of local areas resulting from either immigration or internal migration can take place very rapidly, placing new and different demands on service systems of all types, including social services, education, employment and training, and law enforcement. For policymaking and program planning in these areas to be both appropriate for, and sensitive to, the needs of a locality, public officials must have timely, detailed, and reliable information.

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Appendix A

SUPPORTING TABLES

Table A-1
Civilian Labor Force Participation Rates of Men, by Race and Ethnicity, for Selected Years, 1970-1988 (actual) and 2000 (Projected)

Group:	1970	1976	1980	1988	2000
White Men	80.0	78.4	78.2	76.9	76.6
Black Men	76.5	69.7	70.6	71.0	71.4
Hispanic Men	na	79.6	81.4	81.9	80.3
Asian men	na	74.9	na	74.4	74.6

Source: U.S. Bureau of the Census, Statistical Abstract of the United States: 1988, Washington, D.C. 1987, and U.S. Bureau of Labor Statistics, Employment and Earnings, Annual Averages - 1990, Washington, D.C. 1991. Howard N. Fullerton, Jr. (1989), "New Labor Force Projections, Spanning 1988 to 2000, Monthly Labor Review, Volume 112, No 11, November 1989, Table 4.

Table A-2.
Civilian Labor Force Participation Rates of Women, by Race and Ethnicity, for Selected Years, 1970-1988 (Actual) and 2000 (Projected)

Group:	1970	1976	1980	1988	2000
White Women	42.6	50.0	51.2	56.4	62.9
Black Women	49.5	50.0	53.2	58.0	62.5
Hispanic Women	na	44.1	47.4	53.2	59.4
Asian Women	na	51.6	57 5	56.5	57.5

Source: U.S. Bureau of the Census, Statistical Abstract of the United States: 1988, Washington, D.C. 1987, and U.S. Bureau of Labor Statistics, Employment and Earnings, Annual Averages - 1990, Washington, D.C. 1991. Howard N. Fullerton, Jr. (1989), "New Labor Force Projections, Spanning 1988 to 2000, Monthly Labor Review, Volume 112, No 11, November 1989, Table 4. U.S. Commission on Civil Rights (1990), The Economic Status of Black Women: An Exploratory Investigation, Washington, D.C.: The Commission, Table 1.2.

Table A-3
Unemployment Rates of Persons 16 Years and Older by Race/Ethnicity and Sex for Selected Years

	1979	1982	1988	1989
Whites				
Men	4.5	8.8	4.7	4.5
Women	5.9	8.3	4.7	4.5
Blacks				
Men	10.4(a)	18.2(a)	11.7	11.5
Women	12.3(a)	16.4(a)	11.7	11.4
Hispanics				
Men	7.9	12.0(b)	8.1	7.6
Women	9.8	12.6(b)	8.3	8.8

(a) Data are for "black and other."
(b) Data are for persons 20 years of age and older.
Sources: Employment and Training Report of the President, 1982;Bureau of the Census, Persons of Spanish Origin in the UnitedStates: March 1979, Current Population Reports, Population Characteristics, Series P-20, No. 354, October 1980; and Employment and Earnings, January 1989 and 1990.

Table A-4
Unemployment Rates for Persons 16 Years of Age and Older By Hispanic Subgroup and Sex for Selected Years

	1982	1988	1989	1990
Men				
Mexican-American	12.2	7.4	6.8	7.0
Puerto Rican	15.3	8.2	8.5	8.3
Cuban-American	9.4	4.7	5.3	6.6
Women				
Mexican-American	12.5	8.3	8.8	7.5
Puerto Rican	15.8	6.7	8.5	8.5
Cuban American	10.9	5.0	5.9	7.4

Source: Same as Table A-3.

Table A-5
Median Weekly Earnings by Race/Ethnicity and Sex, 1990

	Men	Women
White	$497	$355
Black	$360	$308
Hispanic	$322	$280

Source: U.S. Bureau of Labor Statistics, Employment and Earnings, January 1991. Annual Averages Tables.

Table A-6.
Black Male Wages as a Percentage of White Male Wages, 1940-1980

Year	Ratio
1940	43.3
1950	55.2
1960	57.5
1970	64.4
1980	72.6

Source: James P. Smith and Finis Welch, "Black Economic Progress after Myrdal," in Journal of Economic Literature, Volume 27, June 1989, pp. 519 ff.

Table A-7
Black Women's Wages as a Percentage of White Women's Wages

Year	Ratio
1940	40.1
1950	60.5
1960	62.9
1970	78.6
1980	90.5
1986	86.6

Source: U.S. Commission on Civil Rights (1990), The Economic Status of Black Women: An Exploratory Investigation, Washington, D.C.:The Commission.

Table A-8
Hispanic Male Wages as a Percent of White Male Wages

Calendar Year	All Hispanic	Mexican Origin	Puerto Ricans	Cuban Origin	Other Hispanic
1971-72	73.3	67.7	75.3	78.5	87.8
1973-75	71.6	68.8	66.3	80.9	80.0
1976-78	74.0	71.1	71.9	78.1	83.4
1979-81	73.1	70.6	69.1	80.5	80.9
1982-84	72.0	68.6	69.9	80.6	81.3
1985-87	69.2	64.6	70.8	88.4	75.6
Average	72.2	68.8	70.6	81.2	81.5

Source: James P. Smith (1990), The Emerging Hispanic Underclass, RAND Corporation for U.S. Department of Labor, may be obtained from NTIS.

Table A-9
Occupational Distribution by Race and Hispanic Origin 1990 and 1983 (percent)

	White		Black		Hispanic	
	1990	1983	1990	1983	1990	1983
Managerial & Professional	27	24	16	14	13	12
Technical & Sales	32	32	28	25	26	26
Precision Production & Repair	12	13	9	9	13	15
Services	12	13	23	24	20	18
Operatives & Laborers	14	15	22	24	25	25
Farming, Fishing,& Forestry	3	3	*	3	5	5

* = less than one percent.
Source: Employment and Earnings, January Issues 1991 and 1984.

Table A-10
Occupational Distribution of Hispanic Population, 1990 and 1983 (percent)

	Total Hispanic		Mexican Origin		Puerto Rican Origin		Cuban Origin	
	1990	1983	1990	1983	1990	1983	1990	1983
Managers & Professionals	13	12	10	10	16	12	23	16
Technicians & Sales	24	26	22	24	31	29	34	34
Services	20	18	19	16	18	21	14	16
Precise Production & Repair	13	15	14	16	13	12	11	10
Operatives & Laborers	25	25	27	25	21	25	16	15
Farming, Fishing, & Forestry	5	5	8	7	2	*	1	*

* = less than one percent
Source: Employment and Earnings, January Issues, 1991 and 1984.

Table A-11
Occupational Distribution of Asian Workers by Nativity, 1980 (percent)

	Manager & Prof	Tech & Sales	Prec. Prod.& Repair	Service	Oprs & Labrs	Farm Fish Forest
China						
Native	42.6	26.5	12.2	7.5	7.6	1.0
Foreign	38.4	16.8	7.0	26.3	7.5	*
Filipin						
Native	15.6	18.2	23.3	11.7	25.1	3.1
Foreign	26.9	24.2	12.2	13.8	17.4	1.5
India						
Native	31.1	21.1	14.5	5.7	16.2	2.6
Foreign	59.9	19.0	6.6	4.1	8.2	*
Japan						
Native	31.1	22.4	20.1	5.8	11.1	7.2
Foreign	49.3	19.2	7.9	8.9	3.2	4.7
Korea						
Native	40.0	17.2	18.9	5.6	12.2	3.9
Foreign	33.9	23.2	14.6	7.0	17.1	*
VietNam						
Native	18.5	11.2	25.9	3.7	33.3	0
Foreign	14.1	15.9	19.9	9.2	29.0	1.4

* = less than one percent.
Source: The Economic Status of Americans of Asian Descent: An Exploratory Investigation, U.S. Commission on Civil Rights, Washington, D.C.: The Commission (1988).

Table A-12
Poverty Rates by Race/Ethnic Group 1980

Native Americans	25
Hispanic	
Mexican	22
Puerto Rican	34
Cuban	12
Other Hispanic	16
Black	27
Asians	
Chinese	13
Filipino	6
Indian	8
Japanese	5
Korean	8
Vietnamese	34
U.S. Total	11

(NOTE: Estimates in the table are based on studies of 1980 Census data. These data provide information on a broader range of race/ethnic groups than do data from the Current Population Surveys.)

Source: Reynolds Farley (1990), "Blacks, Hispanics, and White Ethnic Groups: Are Blacks Uniquely Disadvantaged?" in Papers and Proceedings of the American Economic Association 1990 Meeting.

Table A-13
Earnings Distribution for White, Black, and Hispanic Men for Selected Years

	1979	1983	1987
White Men			
Poor	11.0%	13.9%	13.1%
Middle Class	60.5	55.1	55.9
Affluent	28.5	31.0	31.0
Black Men			
Poor	20.5	29.8	27.1
Middle Class	66.6	58.7	61.7
Affluent	9.4	11.5	11.2
Hispanic Men			
Poor	20.5	24.3	27.2
Middle Class	69.8	64.4	59.6
Affluent	7.7	11.3	13.2

Source: James P. Smith, The Emerging Hispanic Underclass, Table 2.6.

Table A-14
Rate of Illicit Drug Use in 1988, by Race and Hispanic Origin

	Ever Used	Used Past Year	Used Past Month
12 to 17 Years			
Total	24.7%	16.8%	9.2%
White	26.0	17.8	10.0
Hispanic	24.3	16.3	7.8
Black	18.7	12.1	6.2
18 to 25 Years			
Total	58.9	32.0	17.8
White	62.5	33.1	18.0
Hispanic	47.6	28.7	16.8
Black	47.0	25.9	16.9
26 to 34 Years			
Total	64.2	22.6	13.0
White	67.4	22.8	13.3
Hispanic	50.9	19.8	11.8
Black	58.0	21.8	11.2
35 and Older			
Total	23.0	5.8	2.1
White	22.8	5.7	1.8
Hispanic	17.1	4.4	2.2
Black	27.0	5.2	3.3

SOURCE: National Institute on Drug Abuse - HHS (1989), National HouseholdSurvey on Drug Abuse: Population Estimates 1988. Tables 2 -A-B-C-D.

Table A-15
Mean Years of Schooling Completed for Native and Foreign-born Asian and Non-Hispanic White Men, Age 25-64, 1980

Group	Native-born	Foreign-born
Chinese	14.9	13.6
Filipino	12.4	13.9
Indian	13.4	16.7
Japanese	13.7	14.9
Korean	13.8	14.9
Vietnamese	12.3	12.9
Non-Hispanic White	12.9	12.8

Source: U.S. Commission on Civil Rights (1988), The Economic Status of Americans of Asian Descent: An Exploratory Investigation, Washington, D.C.: The Commission.

Table A-16
Mean Years of Schooling Completed for Native and Foreign-born Asian and Non-Hispanic White Women, Age 25-64, 1980

Group	Native-born	Foreign-born
Chinese	14.3	12.2
Filipino	12.1	14.7
Indian	*	14.7
Japanese	13.2	13.5
Korean	*	13.2
Vietnamese	*	11.2
Non-Hispanic White	12.6	11.2

* indicates that observations were too few to support an estimate of educational attainment.
Source: Same as previous table.

Table A-17
Educational Attainment of the Hispanic Population of the U.S. 25 years and over, by Place of Origin, 1989

	% Completing 4 yrs High School	% Completing 4 yrs College
Total Population	76.9	21.1
Total Hispanic	50.9	9.9
Mexican Origin	42.7	6.1
Puerto Rican Orig.	54.0	9.8
Cuban Origin	63.0	19.8
Central and SA Origin	66.0	17.5
Other Hispanic Origin	63.7	12.9

Source: Bureau of the Census (1990), Current Population Reports, Series P-20, No 444.

Table A-18
Unemployment Rates by Educational Attainment by Race and Hispanic Origin, 1975, 1980, and 1987.

	1975	1980	1987
White	8.5	6.0	6.1
1 - 3 yrs H.S.	14.0	11.6	13.1
4 yrs H.S.	8.4	5.9	6.2
1 - 3 yrs Coll.	6.6	4.4	4.5
4 yrs+ Coll.	2.8	1.9	2.3
Black	14.7	13.4	14.5
1 - 3 yrs H.S.	22.0	20.5	23.2
4 yrs H.S.	15.2	13.1	14.3
1 - 3 yrs Coll.	10.1	10.8	11.6
4 yrs+ Coll.	3.9	4.4	5.3
Hispanic	12.8	9.2	10.2
1 - 3 yrs H.S.	18.4	14.3	14.8
4 yrs H.S.	10.5	7.1	9.4
1 - 3 yrs Coll.	7.9	5.9	7.2
4 yrs+ Coll.	3.6	3.7	2.6

Source: U.S. Bureau of the Census, Statistical Abstract of the United States 1988, Op. Cit., Table 634.

Table A-19
English Language Ability Among Hispanic Men, by Place of Origin, 1980 (percent)

	All Hispanics	Mexicans	Puerto Ricans & Cubans	Other Hispanics
English only	18.8	17.0	10.8	30.9
English Very Well	37.4	38.8	42.9	30.3
English Well	22.9	22.1	27.7	21.1
English Not Well	14.6	15.0	14.7	13.2
English None	6.3	7.5	3.9	4.5

Source: James P. Smith (1990), Hispanics and the American Dream: An Analysis of Hispanic Male Labor Market Wages 1940-1980, RAND Corporation for Department of Labor (available through NTIS).

Table A-20
English Language Ability Among Asian Males, by Place of Origin, 1980 (percent)

	Chinese	Filipino	Japanese	Indian	Korean	VietNam
English Only	16.3	19.1	57.4	18.1	8.9	2.4
English Very Well	33.5	49.4	20.7	62.3	24.7	19.3
English Well	28.8	26.2	15.3	16.5	38.5	41.3
English Not Well	16.6	4.1	6.1	2.7	25.7	30.4
English None	4.7	0.4	0.4	0.4	2.2	6.6

Source: U.S. Commission on Civil Rights (1988), Americans of Asian Descent.

Table A-21
English Language Proficiency of Native/Foreign-Born Asian and Non-Hispanic Men 1980 (percent)

	Native-born		Foreign-born	
Group	Very Proficient	Less Proficient	Very Proficient	Less Proficient
Chinese	90.1	9.9	38.2	61.8
Filipino	93.3	6.7	64.1	35.9
Japanese	97.6	2.4	42.9	57.1
Indian	90.1	9.9	79.9	20.1
Korean	96.2	3.8	29.5	70.5
Vietnamese	84.4	15.6	20.8	79.9
NH white	99.3	0.7	73.5	26.5

(NOTE [1]): The categories "very proficient" and "less proficient" were developed by combining responses to Census question on language proficiency. Very proficient = English only + English very well. Less Proficient = English well + English not well + English not at all.)
(NOTE [2]): NH white = non-Hispanic White.
Source: U.S. Commission on Civil Rights (1988), Americans of Asian Descent.

APPENDIX B

Attendees at Conference on Training a Diverse Population

July 9-10, 1990

Attendees

Conference on Training a Diverse Population

National Commission for Employment Policy
Washington, District of Columbia

July 9-10, 1990

Angela Alvillar
Maricopa County Community College
Phoenix, Arizona

Stephen E. Baldwin
Joint Economic Committee
U.S. Congress
Washington, D.C.

Henry Beauchamp
Yakima Valley OIC
Yakima, Washington

Charles Bowman
Bureau of Labor Statistics
U.S. Department of Labor
Washington, D.C.

Robert Burgdorf
District of Columbia College of Law
Washington, D.C.

Christine Bulkley
The HOPE Program
Brooklyn, New York

Ray Castro
Manager, Compliance and
Affirmative Action
Taco Bell Corporation
Irvine, California

Jerri Coen
Mid-Atlantic Region
Kaiser Permanente
Washington, D.C.

Frankie Coleman*
Director Columbus-Franklin County
Private Industry Council
Columbus, Ohio

Dannetta Graves
Montgomery County Department of
Human Services
Dayton, Ohio

David Gillette
New York State Job Training Coordinating
Council
Albany, New York

Alex Hurtado
Utah State Job Training Coordinating
Council
Roy, Utah

Daniel Jackson
Fairfax County Public Schools/Human
Relations
Springfield, Virginia

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* Served as a discusssion leader

Mason Jackson
Broward (County) Employment and
Training Administration
Fort Lauderdale, Florida

William Joe
Tribal Coordinator
Job Training Partnership Administration
Phoenix, Arizona

Louise Kamikawa*
National Pacific Asian
Resource Center on Aging
Seattle, Washington

Richard A. Lacey*
Pierce-Kennedy-Hearth
Chester, Connecticut

Phyllis Lee
North Pacific Region
Kaiser Permanente
Portland, Oregon

Gray Lewis
Consortium for Education
New York, New York

William A. Mason
Aetna Institute
Hartford, Connecticut

Paul Peterson
Department of Government
Harvard University
Cambridge, Massachusetts

John W. Porter*
Superintendent of Schools
Detroit, Michigan

Alan Reich
National Organization on Disability
Washington, D.C.

Charles Smith
Rio Grande Valley
Private Industry Council
El Paso, Texas

Jerry Spurlin
State Department of Education
Tallahassee, Florida

David Stier
Society for Human Resource Management
Alexandria, Virginia

Anna Stern
Federation of Employment and Guidance
Services
New York, New York

Maria Tukeva
Bell Multicultural Vocational High School
Washington, D.C.

Stephen Weinstein
Department of Psychiatry and Human
Behavior
Thomas Jefferson Medical College
Philadelphia, Pennsylvania

Sharon Wilkin
U.S. Equal Employment Opportunity
Commission
Washington, D.C.

Paul Wolpe
Department of Psychiatry and Human
Behavior
Thomas Jefferson Medical College
Philadelphia, Pennsylvania

Maureen Walsh
U.S. Office of Management and Budget
Washington, D.C.

Kenneth Wong
Department of Education
University of Chicago
Chicago, Illinois

Alan Zuckerman
OICs of America
Washington, D.C.

Attendees from the National Commission for Employment Policy

Commissioners

John C. Gartland, Chairman

Donald Jones

J. Michael Levesque

Frank McDonald

Jerry J. Naylor

A. Wayne Roberts

James Winchester

Consultants

Burt Barnow

Laudan Aaron

Stacey Anderson

Chrissy Southard

Staff

Barbara C. McQuown, Director

Carol J. Romero, Deputy Director

Everett Crawford

Vincent Gerasi

Amy Howard

Kathi Ladner

John Tiller